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WORLD NEWS

Sri Lanka truce ended as 107 die

The Sri Lankan Government yesterday called off its unilateral ceasefire after Tamil separatists killed 107 people and wounded 60 in an ambush on three buses and two lorries near the eastern port of Trincomalee.

Most of the victims were Sinhalese, the biggest race attack since civilian sinhalese rebels killed 145 pilgrims in Anuradhapura in May 1985. The Government imposed a 24-hour curfew on Trincomalee to help in its search for the gunmen.

IRA ends church volleys

The IRA is to stop firing volleys over members' coffins at church funerals. Parades and military funerals had been banned in some Roman Catholic churches. Gains before ballot, Page 3

Hong Kong warning

Chinese leader Deng Xiaoping dealt a blow to British hopes that full elections might be introduced into Hong Kong and continued after it returns to Chinese control. Back Page

Pressure over nurses

The Government is under pressure from Tory and Opposition MPs to accept in full the pay rises proposed for nurses and other health staff by the independent review body. Page 4

Rome campaign begins

Italy's election campaign was virtually underway with an attack by outgoing Premier Bettino Craxi on Amintore Fanfani's caretaker government. Page 3

Zimbabwe talks off

Zimbabwe's Premier Robert Mugabe ended talks aimed at uniting his ruling ZANU-PF party and the opposition PFAZU party to help create a socialist one-party state.

Mt Etna kills two

The wife and 10-year-old son of a French diplomat were killed in a volcanic explosion on Mt Etna in Sicily.

Gandhi under fire

Indian Prime Minister Gandhi faced another political storm after Stockholm reports said before armaments company bribed Indian officials to win a big contract. Page 2

\$20m man

Chrysler chairman Lee Iacocca last year earned more than \$20m (£12.5m) from salary, bonus, stock and other payments from the US car maker.

Ferry to be refloated

The wrecked ferry Herald of Free Enterprise is to be refloated and brought into Zeebrugge port early next week, Belgian authorities said.

Prison peace moves

Prison officers' leaders are to recommend acceptance of a pay and conditions package holding out the prospect of long-term stability in the prison service. Page 5

Five die in Mafia war

Five people died in a Mafia gang war in Calabria, south Italy, bringing the death toll this year to 48.

Holiday roads jammed

Heavy traffic blocked roads to the coast around England as the Easter break began with warm weather. Holiday demand surges. Page 5

Financial Times

The Financial Times will not be published on Easter Monday.

THURSDAY MARKETS

DOLLAR

New York DM 1.81 (1.8075)
FF 6.0215 (6.0135)
SFY 1.4945 (1.4855)
Y143 (141.75)
London: DM 1.811 (1.806)
FF 6.0228 (6.01)
SFY 1.492 (1.4888)
Y142.95 (141.75)
Dollar Index 101.1 (100.7)
Tokyo close Y142.8

US CLOSING RATES

Fed Funds: 6.1% (6%)
3-month Treasury Bills:
yield: 5.75% (5.61)
Long Bond: 8.2% (8.1%)
yield: 8.2% (8.28)

GOLD

New York: Comex June
\$447.3 (\$445.5)
London: \$430.25 (\$431.75)

* Friday

Chief price changes on Thursday, Back Page

STERLING

New York \$L 6315 (1.636)
London \$L 631 (1.633)
DM 2.9525 (2.95)
FF 6.0228 (6.0135)
SFY 1.4945 (1.4855)
Y143 (141.75)
Sterling Index 724 (72.1)

LONDON MONEY

3-month interbank: closing rate 9.12% (9.01)

NORTH SEA OIL

Brent: 15-day May (Argus)
\$n/l (51.725)

STOCK INDICES

FT Ord 1,525 (-252)

FT-A All Share

979.12 (+1.95)

FT-A long gilt yield index

High coupon 9.14 (9.23)

New York lunchtime:

DJ Ind Av 2,275.98 (-6.93)

Tokyo:

Nikkei 23,000.35* (-6.93)

* Friday

Chief price changes on Thursday, Back Page

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Stocks

OVERSEAS NEWS

Israel wants to buy N-plant from West Germany

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL HAS formally asked West Germany if it can buy a nuclear power station—just months after the breakdown of lengthy negotiations with France for two 900 Mw reactors.

To overcome likely reluctance by the Bonn Government, the state-run Israel Radio said the plant could be on a border desert site to be designated an extra-territorial area. This would allow international reac-

tor to sign the nuclear non-proliferation treaty, and is widely believed to have secretly developed nuclear weapons on the basis of diverted Western technology and materials provided for research.

Disclosing the fresh bid to get up-to-date commercial nuclear technology, Mr Gideon Palti, the Israeli Science Minister, said the type of plant Israel was seeking would be fail-safe.

The request was made to Mr Helmut Reisenhuber, the visiting West German Research Minister. There was no immediate response from the minister, but Bonn will add it difficult to comply given Israel's international record in nuclear energy.

Earlier this week the Shamir

New curbs on export of nuclear arms technology

BY DAVID BUCHAN

BRITAIN IS to adopt new controls on the export of nuclear weapon technology and equipment, in a joint move with its major Western partners and Japan which is designed to reduce the risk of nuclear arms proliferating in the developing world.

The UK Foreign Office said that the UK, together with the US, Canada, Japan, France, West Germany and Italy, had agreed new guidelines to control the export of "any missile system capable of delivering nuclear weapons."

The controls are intended as a back-up to the Non-Proliferation Treaty. Despite the treaty, it is clearly assumed that several countries, such as India, Israel, or Pakistan, have acquired the means to make nuclear bombs, though not necessarily sophisticated means to deliver them.

The Foreign Office said the

Arsonists strike again at South African railways

BY JIM JONES IN JOHANNESBURG

ARSONISTS have again attacked railway coaches as the dispute between black railway workers and state-owned South African Transport Services hardened. On Thursday afternoon and evening eight coaches and a locomotive were set alight, bring to 67 the number of coaches burned since the start of the week.

Mr E. L. Louw, the Transport Minister, said on television that striking railworkers would not be paid for the duration of the stoppage. No one would be dismissed over the weekend, but he could not guarantee that

there would be no dismissals on Tuesday. Both sides in the dispute have hardened their positions, accusing each other of intimidation.

The management refuses to discuss the stoppage with anyone except leaders of Blatfontein, which began on a small scale, in mid-March, with the disciplining of an employee charged with withholding company money over a weekend. The new guidelines extend control to the Third World where the real risk of nuclear proliferation is seen.

Sarawak election

Dato Taib Mahmud has been returned as Chief Minister of Sarawak in a fiercely contested election that saw deep racial polarisation among the population, writes Wong Suleng from Kuala Lumpur. His three-party coalition won 28 of the 48 state assembly seats. The Major group won the rest.

Union Carbide move

Union Carbide India is to close its petrochemical plant in Bhopal, writes R. C. Murthy. This follows a Supreme Court judgment calling for a scrupulous operation of industry in the surrounding community. The state government also claims the plant is hazardous.

Forty years ago today the British set off the largest ever man-made explosion. Peter Bruce reports from the site.

Smoke of history clears around Helgoland's Big Bang

HELГОLANDERS are famous for telling huge, rollicking lies. Their little red sandstone rock in the North Sea was thrown here, for instance, by God who flung it as someone else in anger and missed. Almost everyone you meet tells you to watch out for the others.

The story about the British, the Big Bang and the attempt to destroy their homeland

though appears to have been a genuine mistake.

Britain seems to bring out the best and the worst in Helgoland and its 1,900 inhabitants. By September 1807, a squadron of British warships had quietly removed the occupying Danes from the island and the English were using Helgoland and islands to smuggle goods and from the Continent to break Napoleon's trade

blockade of 1806-1812.

Life under the new rulers was relatively easy and a number of Germans used British Helgoland as a haven from the French. Later, one Hoffmann von Fallereisen found exile here before the failed 1848 revolution in Germany. In 1841 he wrote the *Lied de Deutschland*, now called the *Deutschland Lied*. The song remains (minus its opening verse of

nineteen lines).

The resulting explosion, 40 years ago today, on April 18 1947, became the original Big Bang for anyone not entirely convinced about how the earth was created. "We timed it to explode on the third pip of the one o'clock news," remembers Cdr Frank Woerner RN (Rtd). Then a junior officer who worked for more than eight months on the project. For his short note, he says: "It looked something like the atom bomb. There was a mushroom cloud." It registered on seismic instruments all over Europe and remains the largest ever non-nuclear explosion.

The blast changed tiny Helgoland. The southern peak imploded into a 200-metre-wide crater. The surface of the island is dotted with huge craters in which holidaymakers sometimes shelter from the wind.

To add insult to injury, the RAF then began using the rock for long range bombing practice, prompting an outraged 22-year-old theology student, René Leudekeroff, and a friend to sail out to the island on December 20, 1950 and illegally occupy it.

The first Germans to return to the island, they slept in the ruins of the old lighthouse tower—what was to become the lighthouse—but it was so cold they soon left. Pastor Leudekeroff says the island "looked like Verdun and Stalingrad together. There were bomb craters within bomb craters. It was terrible."

They came back a few weeks

attributed to the Cuxhaven commander, had held ever since that Britain tried to wipe their home from the face of the earth. Some still hold the same view that the British simply weren't smart enough to pull it off.

Last month, however, Pastor Leudekeroff strolled to the ruined St Nikolai Church on Helgoland with important news. Britain, he revealed, had never tried to destroy the island—only its fortifications—and its recent history would have to be rewritten.

He had been to London and found minutes of meetings about the Big Bang which clearly refer to life after the blast. One, dated October 3, 1946, says: "There will remain at least two harbour areas for the use of fishing boats."

It was comforting to say that the British wanted to destroy the island. What I'm saying now is an unpleasant truth," says the Pastor. Some islanders refused to believe it, but not all of them.

"What the hell," sighs an old man who was one of the first to return. "we would probably have done worse things if we had won. Have a beer."

"The Helgolanders never really hated the British," says Pastor Leudekeroff. In fact, they have invited the Queen to visit them in 1990 to celebrate a century under German rule.

"Would Charles and Diana do?"

"Of course," laughs Klaus Degenhardt. "I've told them not to aim too high."

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Indian PM faces storm over Bofors allegations

By K. M. Sharma in New Delhi

ANOTHER STORM is brewing up around Mr Rajiv Gandhi, India's Prime Minister, because of a report that Bofors, the Swedish arms group, got a defence order by bribing senior Indian politicians and officials.

The Indian government and Bofors have both vigorously denied the report, made by the publicly owned Swedish Radio. But the controversy is bound to be taken up by Indian Opposition parties when parliament resumes its sitting on Monday after a three-day recess.

Noway decided last February to reinvoke its 1959 inspection agreement, after disclosure in a British newspaper by Mr Mordechai Vanunu, a dissident technician at the top-secret Dimona nuclear plant, that Israel had amassed a considerable quantity of atomic bombs over the past decade.

Mr Vanunu now is in jail in Israel awaiting trial on treason charges after being kidnapped abroad by the Mossad, Israel's secret service, allegedly on the direct instructions of then Prime Minister, Mr Shimon Peres.

No reason was announced last year for the quiet termination of talks with France on purchasing two Framatom nuclear power stations, at a cost of over \$1bn. But western diplomats believe they broke down over the issue of safeguards.

The payments, the radio said, were to secure a contract worth over \$1bn to supply the Indian army with an artillery system.

Bofors said yesterday that the Indian arms contract was secret and the company was not prepared to discuss individual payments. "But we have not bribed any Indians or anyone else."

The Indian Defence Ministry said: "We categorically deny that any bribe was paid to an Indian politician or defence official in the Bofors deal."

Indian Opposition politicians yesterday were planning a fresh parliamentary offensive against Mr Gandhi, who may have been severely tarnished in the past fortnight.

A judicial inquiry has been appointed to go into the hiring of the US detective agency to investigate foreign exchange market in Japan was rejected by the UK company yesterday as largely irrelevant.

The proposal came after inconclusive talks on a merger between the two rival consortia bidding for a contract to set up a new international telephone service from Japan.

Mr Shunroku Karasawa, Minister of Posts and Telecommunications, said that if the new

SEOUL PACKAGE AIMS TO CHECK GROWTH IN TRADE SURPLUS

South Korea takes steps to boost imports

BY MAGGIE FORD IN SEOUL

A PACKAGE of measures to restrain growth in the trade surplus, to boost imports into a more open market, and to control over-investing in the economy unveiled yesterday by Dr Kim Man Je, South Korea's deputy prime minister.

South Korea will boost imports by between \$1.5bn (\$220m) and \$2bn this year and expand public spending to improve living standards.

Companies will be allowed to raise an additional \$500m in commercial loans or convertible bonds, but measures to prevent the inflow of speculative money from abroad will be studied.

Foreign exchange regulations would be substantially relaxed, the minister said, but gave no details.

Mr Gandhi and his government have already been rocked in the past fortnight by other rows. One of them is over the appointment of a US detective agency to investigate foreign exchange market in Japan.

Companies will be allowed to borrow \$2.1bn in foreign exchange loans from the central bank at interest rates 1.5 per cent above Libor, which at present stands at 7.1/16 per cent.

Businesses have not been allowed to borrow abroad this year because South Korea is trying to pay back its \$45bn of foreign debt, so the change is a loosening of the government's tight monetary policy.

Domestic interest rates, at 12 per cent, remain high to promote savings but companies are unlikely to be happy about the premium they will now have to pay.

The Government believes its package will generate extra imports of between \$1.5bn and \$2bn this year. In addition, South Korea will reduce the list of restricted imports drastically

and cut red tape so that more foreign goods can be sold in the country.

Public sector spending on roads, sewage, water supply, housing and medical services is to be expanded. Cash from the sales of government-owned stocks and from special funds will be made available for this social and infrastructure spending.

In an effort to restrain the growth of export-oriented business, export credits and export industry equipment loans are to be reduced. Companies will be encouraged to produce goods for export with a higher

value-added content. Exports will be restrained to such areas as the US and diversified to other regions such as Asia and the Middle East.

The package has implications for South Korea's financial system. Bank loans to the private sector will be substantially reduced, so that companies will have to turn to the capital markets for long-term investment funds. They will also have to repay their outstanding bank loans.

Short-term finance houses will be asked to lend money for operating purposes to businesses. This measure would remove funds from the booming stock market, dealing with another area of government anxiety.

Asked about US pressure to appreciate South Korea's currency, the won, a senior official said the efforts to reduce export growth were a response to this pressure.

He believed South Korea should be allowed several years of trade surpluses like Japan and Taiwan, before being asked to appreciate its currency.

South Korea recorded its first ever trade surplus last year and the won has appreciated 2.4 per cent against the dollar in the last three months.

Kim Young Sam, another Opposition figure.

Since the President's speech, attempts to isolate Mr Kim Daeg Jung have increased.

His house was surrounded by 600 riot police yesterday and he was allowed no visitors. Mr Kim is banned from politics under a suspended sentence for sedition imposed six years ago.

Mr Kim Daeg Jung, the leading Opposition politician, was put under house arrest last week when he announced that he was setting up a new Opposition party with Mr

value-added content. Exports will be restrained to such areas as the US and diversified to other regions such as Asia and the Middle East.

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Australian \$ slips from high point

The Australian dollar suffered more selling in foreign exchange markets on Thursday after nervousness intensified about its recent strength.

writes Chris Sherwell in Sydney.

The exchange rate fell two cents against the US dollar in Sydney to 70.6 US cents, before climbing back to 71.2. On a trade-weighted basis, it dipped from 56.5 to 55.9 (May 1970=100).

The gyrations were a reaction to reports that the reserve bank thought the currency overvalued, and to comments from Prime Minister Bob Hawke that it was "getting rather high."

The currency has been trading at levels not seen in a year. Against the US dollar it reached a one-year high before Thursday's reverse. On a trade-weighted basis, it was at an 11-month high.

FMC to appeal

FMC Corporates will appeal against a US Federal Court ruling dismissing its lawsuit against Ivan Boesky, Goldman, Sachs and various other parties, alleging insider trading, misuse of information and price manipulation relating to FMC's \$2bn recapitalisation completed last year. AP-DJ reports from Chicago.

\$640m fraud scheme

Five European businessmen, working with a Palestinian swindler linked to the PLO, were indicted yesterday on charges of attempting to sell some \$640m of worthless Indonesian promissory notes, Neuter reports from New York.

Hart money seized

A lawyer and two US Marshals seized about \$30,000 in contributions to Mr Gary Hart's 1988 presidential campaign at a fund-raising concert, seeking to satisfy a court judgment against his 1984 campaign, officials told AP in Los Angeles. An advertising agency is still owed \$105,412 by Mr Hart's 1984 campaign.

GM drops bonus plan

General Motors is to drop its controversial executive bonus plan and has disclosed that company chairman Roger Smith received about \$2m in total remuneration in 1986. Reuter reports from Detroit. It is proposing instead to supplement the pay of top managers with a new stock plan.

Ozal gives way

Turkish Prime Minister Turgut Ozal has withdrawn a controversial piece of legislation in a move to end street disturbances, writes David Broadhead in Ankara. The law would have made membership of a single nation-wide government controlled student union compulsory.

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OVERSEAS NEWS

GEC wins key rail contract from Moscow

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

GEC, the UK engineering group, has won a \$2.2m contract to supply a computer-controlled automatic signalling system for part of the Moscow-Leningrad railway line.

The contract is regarded as highly significant because it is the first time the Soviet Union has bought such sophisticated railway equipment from the West. Observers said it marked a change of purchasing strategy by the Soviet Union, and could help open up an important market for the Western railway equipment industry.

The contract was won by GEC's General Signals subsidiary against strong competition from Jeumont-Schneider of France and Ansaldo Transporti di Italy. It followed more than 40 visits to Moscow by GEC-GS executives over more than three years, and a final negotiating mission lasting three weeks.

The system, which will come into operation in mid-1989, will allow Soviet Union Railways (SŽD) to control trains from a central signalling centre on 167 km of track between Moscow and Kalinin.

This is the southern stretch of the prime inter-city route to Leningrad, on which delays are said to be common. SŽD is believed to regard the line as a

major priority for investment.

The installation is part of the 12th five year plan for the railways, running from 1986 to 1990, under which 3,500 km of track are to be brought under automatic signalling control. The plan also includes proposals for electrification of 5,000 km of track and construction of 2,900 km of new line.

The extent to which SŽD intends to purchase foreign-made equipment for this programme is not known. The Soviet railway equipment industry is believed to be lagging well behind available Western technology, however.

Mr Michael Davis, finance director of GEC-GS, said the company had already had talks about signalling improvements elsewhere on the 144,000km SŽD network.

Mr Geoffrey Freeman Allen, editor of Jane's World Railways, the railway reference book, said SŽD had long wanted to create a high-speed link between Moscow and Leningrad, but had been restrained by lack of modern signalling equipment. GEC-GS has also won a \$3m order from Botswana Railways to supply and install a different automatic signalling system on 670 km of track between the Zimbabwe border and Bophuthatswana.

EEC expected to launch steel coil dumping probe

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission is expected shortly to open an anti-dumping inquiry into imports into the Community of hot-rolled steel coil from Algeria, Mexico and Yugoslavia.

The inquiry, the result of a complaint by Europe, of a complaint of 22 big integrated EEC steel producers, will be politically sensitive because the Community's steel overcapacity is greatest in hot rolled coil. It provides the base for the whole range of flat products, including steel sheet for cars and white goods and is one area where Eurometals, a consortium of major-needed production cuts.

Eurofer alleges that the three countries were dumping the equivalent of nearly 250m t a year of hot rolled coil during

the first half of last year and that they have continued to sell at unfairly low prices, despite knowing about the imminent complaint. The group is therefore asking the Commission to decide by three months any anti-dumping duties.

It claims that the three countries have built up a combined EEC market share of 4.3 per cent, though the dumping was heaviest in West Germany, Britain and Italy.

Eurofer estimates that Mexico was exporting 4,883 tonnes of hot rolled coil a month early last year at 41 per cent below its normal domestic price and that Algeria was selling 5,216 tonnes at the same dumping margin. Yugoslavia was dumping 5,782 tonnes a month of steel at 37 per cent below its domestic market price, maintaining Eurofer.

Warsaw backs reforms with official's promotion

BY CHRISTOPHER ROBINSKI IN WARSAW

THE POLISH Government has appointed Prof Zdzislaw Sadowski, a 62-year-old economist who does not belong to the Communist Party, as a deputy premier to underline its commitment to pressing ahead with economic reforms, decreed in 1981.

At a parliamentary session on Thursday, which approved the move, Prime Minister Mieczyslaw Rakowski promised wide-ranging changes, including establishment of commercial banks, sale of shares to workers, and removal of bureaucratic restrictions on company activity.

Professor Sadowski has headed behind the scenes for the reforms since 1981 as a member of the Government with the rank of deputy minister. In his new, more senior post he will continue to have responsibility for implementing the changes.

Most of the government proposals are due to be introduced after 1980. Economists have

already pointed out that this gives the conservative bureaucracy time to blunt the reforming ardour.

In an evident concession to Poland's new trade unions, the government has dropped Mr Stanislaw Gebala as wages minister, and replaced him with his deputy, Mr Janusz Pawlowski.

The government increased food and energy prices this month and some observers regard these as reforms as an attempt to deflect criticism by the new trade unions, as well as by the Solidarnosc movement, that the decentralising changes promised in 1981 have been shelved.

Mr Sadowski's appointment will hearten reformers. But Government officials in the planning commission, who were criticised by economists only last autumn for trying to centralise economic decision-making remain in place.

Productivity pact agreed at Alfa Romeo

BY ALAN FRIEDMAN IN MILAN

AN IMPORTANT agreement designed to increase the level of productivity at the car group's Alfa Romeo subsidiary has been reached between the Turin-based car maker and trade unions.

The accord, which also paves the way for the resumption next Thursday of formal contract talks for the 32,000 workers in the Alfa Romeo plant, breaks a week-long dead-

lock between management and labour. The contract talks were halted last week, after three difficult months of negotiations.

Based on calculations by Fiat, the accord should increase productivity by up to 37.5 per cent at the Arese plant near Milan and the Pomigliano plant near Naples. This is Turin's view of how much improvement is needed to reach the level of

productivity at Fiat factories. The agreement calls for changes in the organisation of work among them, from the system of production teams to assembly-line manufacturing. Also agreed has been a compromise on the rotation of workers. The next step is for Fiat and the unions to discuss the group's industrial reorganisation plan for the Alfa plant.

Mr Fanfani, who was asked on Wednesday to form a caretaker government ahead of expected early elections in June, last night presented a cabinet composed of only Christian Democrats and technocrats.

It was in this context that Mr Craxi yesterday delivered a

Howe faces tricky task on South Pacific visit

By Robin Parry, Asia Editor

THE DIPLOMATIC skills of Sir Geoffrey Howe, the British Foreign Secretary, will be tested to the full in Australia and New Zealand next week when he will try to explain Britain's failure to support a non-nuclear treaty for the South Pacific.

He leaves tomorrow and will first visit Thailand, a leading member of the Association of South East Asian Nations (ASEAN) and an increasingly important trading partner with Britain.

But the tricky part of the tour begins with his arrival in Australia on Wednesday and New Zealand on Saturday.

Both countries have consistently objected to the problems created for their nuclear producers by the non-proliferation, safety system operated for the benefit of EEC farmers through the Common Agricultural Policy.

Sir Geoffrey is expected to argue that agricultural subsidies and over-production of food is a global rather than European problem and is part of current structural difficulties within the world economy.

But objections to Britain's participation in this policy through its EEC membership have recently been superseded by much deeper disappointment and resentment over London's refusal to sign the South Pacific Nuclear Free Zone treaty, generally known as Spindiz.

The treaty was conceived last year by the 12 Pacific Forum states and involves little more than an agreement not to make, use or possess nuclear weapons in the South Pacific.

The small Pacific island states are strongly opposed to nuclear weapons as is New Zealand, which has broken up Auzus by refusing to allow US vessels to dock unless they declare they are not carrying nuclear equipment.

Australia, which does allow US vessels in, regards Spindiz as a "real opportunity to bring America, Europe, and the Pacific states together." Canberra is dismayed that US and British sensitivity to the views of France, one of the least popular countries among Pacific states, has been the main reason for their refusal to sign.

France could not support Spindiz without agreeing to give up its controversial nuclear tests at Mururoa in the South Pacific.

An added difficulty facing Sir Geoffrey is the fact that whereas France's tests at Mururoa, Britain used to test nuclear devices, in the 1950s and 1960s, in central and Western Australia.

While Britain argues that it has discharged all its obligations over the site, the Australians are sure to use Sir Geoffrey's visit to press their insistence that Britain may pay the full cost of cleaning up the nuclear test sites which are still littered with plutonium and chemical waste.

Sir Geoffrey will be particularly anxious to ease some of the tensions in relations with Australia, an old and valued Commonwealth ally, in advance of the Queen's visit for the bicentennial celebrations early next year.

On his way home Sir Geoffrey is due to make a stop in the Pacific island of Fiji. The stop is in the middle of the night, however, and it may not be convenient to meet Dr Tomasi Ravuvou who was elected Prime Minister earlier this month when the Labour Party ousted the ruling Alliance Party.

UK NEWS

Hugh Carnegy reports on the security forces' fears of renewed violence in Ulster

IRA puts the gun before the ballot box

NOT ONLY the letter bombs discovered in London this week have provoked concern about renewed activity by the Irish Republican Army. Security forces in Northern Ireland have been faced with an ominous recent upsurge in IRA violence.

It has been on their minds as they prepared for the Easter weekend when too often it is skulls, not eggs, which crack as both nationalists and loyalists take to the streets for the first big traditional marches of the year.

This year, the Royal Ulster Constabulary and the army have the anger seen last year of loyalist parades will be blunted.

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The small Pacific island states are strongly opposed to nuclear weapons as is New Zealand, which has broken up Auzus by refusing to allow US vessels to dock unless they declare they are not carrying nuclear equipment.

Australia, which does allow US vessels in, regards Spindiz as a "real opportunity to bring America, Europe, and the Pacific states together."

An added difficulty facing Sir Geoffrey is the fact that whereas France's tests at Mururoa, Britain used to test nuclear devices, in the 1950s and 1960s, in central and Western Australia.

While Britain argues that it has discharged all its obligations over the site, the Australians are sure to use Sir Geoffrey's visit to press their insistence that Britain may pay the full cost of cleaning up the nuclear test sites which are still littered with plutonium and chemical waste.

Sir Geoffrey will be particularly anxious to ease some of the tensions in relations with Australia, an old and valued Commonwealth ally, in advance of the Queen's visit for the bicentennial celebrations early next year.

On his way home Sir Geoffrey is due to make a stop in the Pacific island of Fiji. The stop is in the middle of the night, however, and it may not be convenient to meet Dr Tomasi Ravuvou who was elected Prime Minister earlier this month when the Labour Party ousted the ruling Alliance Party.

The government has linked the violence to the poor showing of Sinn Fein, the IRA's

ber. There is no doubt that this has the support of Mr Adams and his Sinn Fein colleagues.

In any case, some of the recent incidents came before the Irish election and a campaign of violence such as the province has seen lately presumably takes considerable planning.

In Belfast, the explanation which filters through from the IRA is that it has seen a period of reorganisation with senior personnel returned to the city changing and lines of supply of arms and material received. Certainly the RUC say that the IRA does not appear to be out of weapons and material, in spite of some significant arms finds.

The resurgence of IRA activities

Gerry Adams key battle for Sinn Fein seat

political wing, in the Irish Republic's general election in February when the party won less than 2 per cent of the overall vote.

The theory is that this embarrassed the Sinn Fein leadership headed by Mr Gerry Adams, the party's president, who last year backed a policy shift towards greater political activity to match the IRA's so-called armed struggle.

Shortly after the Marley funeral, IRA gunmen stepped out from behind two part-time RUC officers in the streets of Portrush, a seaside resort previously regarded as almost neutral territory, and shot them dead.

In Belfast, the trend is conspicuous after months of virtual IRA inactivity. "There is no point in denying it. It is a real threat," said the RUC.

While Mr Adams undoubtedly

had to explain the Irish election performance, this theory appears to be over-simplistic.

The RUC stressed its commitment to maintaining its campaign of violence as the prime instrument of policy in Northern Ireland when the political tactics were approved at Sinn Fein's annual conference last November.

vity in the city also seems to have been prompted in part by anger within the IRA at the portrayal by the authorities of Belfast returning to normal.

The booming retail scene and programmes to refurbish the city have been used by the RUC to push the idea of Belfast overcoming the terrorist

and becoming a safe and congenial place to invest in or visit.

Arguments over the cost to

IRA support of bombs which kill civilians are being overridden by the desire to counter the upbeat government image.

Hence, for example, the bomb placed around Windsor Park football stadium for the England - Northern Ireland match last month. The London

booby-trap killings coincided with two BBC television programmes on the city, one which looked at efforts to revitalise its economy.

Rather than link the upsurge in violence to the Irish election, many commentators in the North prefer to tie it to a possible British general election—the IRA's grisly way of settling out its store to supporters and opponents before they go to the polls. On past record, the violence will subside during the campaign to allow Sinn Fein to get into the election.

The key battle for Sinn Fein in a general election will be to defend its only seat

The RUC action at the funeral brought thousands who otherwise would have stayed at home on the streets to march behind Mr Marley's coffin and in effect to support the IRA.

It revived Roman Catholic hostility to the RUC just when the SDLP hoped the effect of the Anglo-Irish Agreement, which Sinn Fein opposes, would have been to blunt such feelings and raise its own support.

The London-Dublin agreement set out to raise Catholic nationalist confidence in Northern Irish institutions, and thereby to isolate Sinn Fein and the IRA. The Marley funeral and the IRA's present cocky mood show how difficult a task that is.

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UK NEWS

Channel Tunnel deal sought by early next month

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

THE THREE main parties involved in planning the Channel Tunnel hope to avoid a crisis over the project's financing by reaching an agreement by early May on its use.

Talks between Eurotunnel, the consortium organising the scheme, British Rail and SNCF, the national French railway group, are due to resume in Paris on Tuesday after a series of meetings this week.

They have agreed to try to complete a deal within about three weeks so that the next stage in the financing timetable can go ahead as planned.

Eurotunnel wants to reach a detailed accord with BR and the SNCF by then so that it can conclude its syndication arrangements and complete the signing of a \$5bn loan agreement with its banks.

The company would then be in a position to go ahead with interim financing arrangements aimed at raising up to \$100m through a private underwritten equity issue in July to provide it with funds that would maintain its current level of spending.

The next step would be a share issue in the autumn aimed at raising \$750m from international investors. This offering was recently postponed.

MPs urge acceptance of nurses' pay proposals

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT is being pressed by Conservative and opposition MPs to accept pay rises for nurses and other National Health Service medical staff proposed by the independent review body.

Its report was received at Downing Street on Wednesday and is being read by Mrs Thatcher over the weekend at Chequers. She is also studying reports on the pay of doctors and dentists, the armed forces, judges and senior civil servants.

An announcement is expected possibly by the end of this month — rather earlier than those made in late May and June during the past two years.

Senior Tories believe that pay rises of between 5 per cent and 10 per cent should be demanded and argue that, with the possibility of a June general election, they should be implemented.

In recent years recommended rises have been de-

layed and phased, with some of the cost coming from increased efficiency and cuts in the health budget.

However, Conservative leaders are aware that the NHS, and particularly the pay and conditions of nurses, is an issue on which they are potentially vulnerable in the pre-election period. The Government will not wish to appear mean, especially given the strong public-sector finances.

Moreover, Labour leaders such as Mr Roy Hattersley, the shadow Chancellor, have promised "honour in full the nurses' pay recommendations and fund them through specific measures to attract health authorities to recruit health workers."

If the pay award is not fully implemented, it will give opposition parties ammunition for an early general election campaign.

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Workfare 'would lead to higher employment'

By Charles Leadbeater

A WORKFARE system, under which the unemployed would be denied welfare benefits if they refused an offer of a place on a training scheme or public works programme, would be better than higher employment through direct cash wage subsidies encouraging the take-up of low-paid jobs, according to a study.

However, the study says it is impossible to accurately predict how far unemployment would fall because it is not clear by how much real wages would drop and the demand for labour would rise.

The three parties signed an outline agreement well over a year ago, but there have been delays in the funding arrangements exacerbated by top management changes in Eurotunnel.

Earlier this month, Mr Alastair Morton, Eurotunnel's recently-appointed British co-chairman, warned that the talks with the two rail groups need to be concluded by the end of April, but this deadline has since been put back by another week.

One new point raised in the negotiations is the possibility of running trains at about 125 mph rather than the originally agreed 100 mph. Executives said yesterday that this need not necessarily be settled in the detailed agreement.

Other issues under discussion are Eurotunnel's fee for the use of the tunnel and the timing of train schedules.

Supporters of workfare believe it could ensure that the long-term unemployed do not lose their skills and become isolated from the labour market.

Supporters of workfare believe it could ensure that the long-term unemployed do not lose their skills and become isolated from the labour market.

The study says that a workfare scheme covering 1m people would add \$250m a year to public expenditure when the costs of supervision, training and materials are taken into account. Great care would be necessary to prevent costs spiralling out of control, the study says.

Establishing a workfare scheme would require the reorganisation of benefit payments, via the Management Job Placement Service Commission's job centres. However, the MSC has said it does not want its job-centre staff to become involved in benefits policing.

The public sector, particularly local authorities, would be the main potential providers of work placements, the report says. However, as workfare would run into political opposition, the Government would have to introduce legislation to make local authorities create workfare openings.

The workfare report is one of a number of studies on measures to cut unemployment published by the Employment Research Centre. A second study says a two-hour cut in the basic working week would create about 500,000 extra jobs, if it paid off in line with weekly hours.

The study says arrangements for short-time working should be reviewed immediately as an effective scheme would be the most successful way to postpone or avert further redundancies in the next recession.

Although it is still very early in the financial year, the City

is already confident that the Chancellor will be able to deliver further tax cuts next year.

The dual outturn of the PSBR is somewhere between 4 per cent and 1 per cent of gross domestic product, more than matching the Government's aim to get public borrowing as a proportion of GDP down to 1 per cent.

In cash terms, the PSBR last financial year was the lowest since 1974-75.

This substantial undershoot of the Government's target underlines the extraordinary buoyancy of tax revenues last financial year and should underpin optimism that this year's 24th target for borrowing will be met.

At Budget time last month, independent City economists had viewed Mr Nigel Lawson's fiscal arithmetic as credible, if not on the cautious side and yesterday's figures confirmed the healthy state of public finance.

The Treasury said on Thursday that Customs and Excise receipts were £2.7bn or 10 per cent higher in March than a year ago and Inland Revenue receipts were £1.7bn or 3 per cent up on March 1986.

Keith Sutton (left) and Nicholas Horsley: aiming to build circulation to 1.1m over three years.

An uneasy mix of commerce and ideology

MR KEITH SUTTON, editor of the News on Sunday, the planned left-of-centre newspaper, knows exactly where his paper stands on the issues. Should he ever need reminding a copy of the editorial charter drawn up by the paper's founders is on the wall of his Manchester office.

The charter proclaims that the News on Sunday, to be launched on April 26, is opposed to racism, sexism, believes in a united Ireland and the withdrawal of the British presence, will usually support workers when they take industrial action and believes that "the unilateral abandonment by Britain of nuclear weapons, bases and alliances" is a vital step towards world disarmament.

However, the study says it is impossible to accurately predict how far unemployment would fall because it is not clear by how much real wages would drop and the demand for labour would rise.

The study, published by the University of Buckingham Employment Research Centre, says estimates of workfare schemes' employment creation potential are clouded by the lack of clear evidence on how the current welfare system may discourage the unemployed from taking low-paid work.

"I entirely agree with what is in the charter and so do our journalists. For the first time we have been given the opportunity to put our views into print and that's rather liberating," adds Mr Sutton, who was a journalist on the Sunday Times at the time Mr Rupert Murdoch's News International moved to Wapping.

For Mr John Edwards, a senior shop steward and line worker at Ford's car factory at Halewood, Liverpool, the News on Sunday is like a dream come true. "I feel privileged to have been involved in the launch of the first left-of-centre paper for generations," he says.

He is a member of the Founder's Trust set up to ensure the paper sticks to its principles and his wife, Joan, a senior shop steward with



Keith Sutton (left) and Nicholas Horsley: aiming to build circulation to 1.1m over three years.

Gleno, the pharmaceutical company, is on the board.

Mr Horsley has been given a five-week sabbatical from Ford to organise the distribution of more than 3m News on Sunday leaflets and posters to unions, universities, pensioners groups, Labour party branches and pressure groups throughout the country.

The paper has raised \$2.4m in equity from 23 trade unions and 21 Labour-controlled local authorities and £1.1m, including £1.000 from actress Julie Christie, from private investors.

It has another \$3m in working capital in bank loans.

The target is to hit a circulation of 300,000 after the launch period and gradually build it to 1.1m over three years by when the paper should

be in profit. If the launch goes well the company plans to raise in the summer a further \$1m to £2m through the Business Expansion Scheme for regional inserts to the paper.

Away from the commitment and enthusiasm in the paper's board, there is a slight fear of a commercial building in central Manchester that is sceptical about the chances of the News on Sunday.

There is fierce competition at the tabloid end of the Sunday newspaper market. The News on Sunday does not have a colour supplement—although it does have an imaginative colour section—and no one knows how great the demand will be for an avowedly socialist newspaper.

Mr Eric de Bellalique, pub-

lishing analyst at Gremell and Colegrave, the stockbroker, says: "It seems to have been born in difficult times: almost everything that could have gone wrong has. From a distance, it looks as if it is dead on wheels."

The problems have included the departure of journalist Mr John Pilger. He left accusing Mr Sutton of wanting to produce a left-wing version of Sun.

Earlier this month Barrie Bogie Negerty, the paper's advertising agency, said it was parting company with the paper after its £1.5m launch citing severe strains in the relationship.

Journalists on the paper disapproved of the use of sexist images in such slogans as The Sun.

Judging from last Sunday's dummy issue, the paper has been improving.

Mr Horsley agrees that the News on Sunday will have to get it right first time. It cannot return to the market for more money and if it falls far short of its circulation targets the end for the staff of 180 could only be a matter of months away.

Level of public borrowing lowest since 1972-73

BY JANET BUSH

PUBLIC BORROWING fell to the lowest level since 1972-73 in the last financial year, undershooting even the Chancellor's substantially lower Budget forecast, according to provisional figures released on Thursday.

The Public Sector Borrowing Requirement for 1986-87 was \$3.5bn, below the Budget forecast of \$4.5bn and less than half of the original projection of \$7.1bn. This compares with the final PSBR in 1985-86 of \$5.8bn.

This substantial undershoot of the Government's target underlines the extraordinary buoyancy of tax revenues last financial year and should underpin optimism that this year's 24th target for borrowing will be met.

In cash terms, the PSBR last financial year was the lowest since 1974-75.

The much lower borrowing level was due to a combination of very buoyant receipts of corporation tax and value added tax and lower anticipated borrowing by local authorities.

The Treasury said on Thursday that Customs and Excise receipts were £2.7bn or 10 per cent higher in March than a year ago and Inland Revenue receipts were £1.7bn or 3 per cent up on March 1986.

Pakistan may buy frigates

BY WILLIAM COCHRANE

NEGOTIATIONS are continuing over a \$557m deal involving the purchase of three British frigates by Pakistan.

The Defence Ministry said yesterday that following the visit of Mr Mohammad Khan Junejo, the Pakistani Prime Minister, last week, the British

team would visit Pakistan next week to try to secure the order.

Pakistan has said to be interested in buying British Type 23 frigates to be built by Yarrow, GEC's subsidiary on the Clyde. This would safeguard the 4,300 jobs at the company.

The contribution of National Savings to government funding in 1986-87 is expected to be lower than in 1985-86, given the lower target for the Public Sector Borrowing Requirement.

Income Bonds increased their contribution to government funding from \$200m to \$250m.

Investment Accounts from \$460m to \$786m and Deposit Bonds from \$124m to \$233m. All three products pay interest gross.

The contribution from fixed-interest Savings Certificates, however, grew modestly—from \$784m to \$868m—and the deficit on index-linked certificates rose from \$206m to \$248m.

The contribution of National Savings to government funding in 1986-87 is expected to be lower than in 1985-86, given the lower target for the Public Sector Borrowing Requirement.

However, it would have only

Growth in National Savings

BY CLIVE WOLMAN

THE RULE changes proposed by the Securities and Investments Board, the City regulatory body, to ease the regulatory burden on small investment advisers, are not sufficient to remove their anti-competitive effect, according to Sir Gordon Borrie, Director-General of Fair Trading.

In a supplement, published on Thursday, to his report on the SIB rules, Sir Gordon said he accepted that the SIB had reduced the costs imposed on small insurance brokers by amending some of its rules.

The changes included a lower authorisation fee, less capital backing and an exemption from the requirement to provide half-yearly statements.

The original report, which was submitted on March 24 to Mr Paul Channon, Trade and

Industry Secretary, said the SIB's life assurance selling rules and the costs of compliance would distort competition by reducing the number of independent insurance brokers and advisers.

Mr Channon is expected to respond to the report by endorsing the SIB's position next week. This would allow Parliament to designate the SIB as the official regulatory overseer under last year's Financial Services Act.

Sir Gordon said in his supplementary report that he had not yet received any representations from smaller investment advisers.

However, he believed that the amendments did not go far enough to offset the anti-competitive effects of the other SIB rules.

SIB rule changes 'not enough' says Borrie

BY CLIVE WOLMAN

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about 6 per cent of the highly fragmented world market.

Both Picker and Philips are towards the top end of the medical equipment range in terms of both price and sophistication.

The combination of GEC's Picker International subsidiary, based primarily in the US, and Philips Medical Systems, active mainly in Europe, would create the biggest business of its type in the world. Annual sales would be about \$200 (£125m) and there would be 17,000 employees.

However, it would have only

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UK NEWS

David Churchill looks at Kodak's fight to maintain its market share
Developing threat of own-label films

KODAK, the film manufacturing and processing company, is this weekend launching a £2m advertising assault on the British market in an attempt to fight off the threat from own-label film.

Film sales over the Easter weekend are traditionally one of the peaks of the year and the forecast fine weather will further boost sales.

Mr Brian Bottomley, a senior marketing executive with Kodak, says it is partly a psychological phenomenon. "After the winter months, Easter is about the first time most people have to go out and enjoy a short break—and they want to take their cameras as well."

Kodak's dilemma, however, is consumers now seem to regard film as merely a commodity buy. "Many people dismiss film and think that any old film will give the same results," says Mr Bottomley.

But this is not true—using a top quality film can make much more difference to the overall quality of the final prints than most people realise."

Mr John Halsop, a marketing manager for 3M which makes most own-label films in Britain, disagrees.

"Most camera users are only snapshotters—they want a reliable film that works in most conditions and at the best value."

"Technical comparisons between films are very subjective—some people, for example, feel Kodak film is too larger than life, especially when used abroad," he adds.

Kodak, not surprisingly, re-

jects this view. "Some own-label films can give results that look rather washed-out—which is made even worse by the fact that about one in four films already come out under-exposed," Mr Bottomley says.

However, consumer concern with the quality of snapshots does not seem high. A recent survey, carried out by the British Market Research Bureau for the Manta Research company, found more than half of

on film can look very attractive to some consumers.

Kodak's traditional dominance of the British film market—estimated to be worth about £180m at retail prices—has been eroded in the 1980s largely because of the resurgence of 35mm film.

Ten years ago, 35mm film was unpopular with amateur camera users because it was difficult to load.

But in the early 1980s saw the introduction of new simple-to-use compact 35mm cameras, where Japanese technology came easy to load film with automatic focusing and light metering.

The revival of 35mm film usage created the classic marketing opportunity for others to undermine the brand leader during radical shifts in demand.

The Boots high street chain has about one in four of all cameras sold in Britain and was quick to explore the potential for selling an own-label 35mm. Most other chemists followed suit.

Retail film processors, especially the high street Monks such as Kwikfoto and Foto Inn which offer fast service, also started to offer own-label films—despite leading retailers such as Dixons.

Kodak's market share slipped back—35mm estimated to fall from 75 per cent to 45 per cent. But, says Mintel, has about 10 per cent—although the company claims 20 per cent—the consumer market is worth paying for. By the end of the summer, Kodak will know of the panacea has worked.

With processing and printing of 24 prints costing between £4.50 and £5, the price saving

But own-label, says Mintel,

Many people think any old film will give the same sort of results

those surveyed had experienced no problems with film processing in the previous two years.

The biggest problem was the failure of some pictures to be printed by the processing company. But 17 per cent of the survey did pick out poor colour.

This level of concern, however, seems insufficient for many consumers to consider paying more for film. Kodak's £10-35 mm film for example, is suggested retail at £2.51. But own-label films can cost as little as 99p and are generally at least 50p cheaper than Kodak's main brands.

With processing and printing of 24 prints costing between £4.50 and £5, the price saving

But own-label, says Mintel,

Stockbroker in pledge to creditors

By Hugo Dorn

GILES & OVERBURY, a stockbroking firm reported to be London's oldest, which was suspended from trading on the Stock Exchange in January, has told creditors they can expect more than half the money owed to be paid back.

The assurance was made on Thursday by Mr Gerry Bon, the company's administrator, at a London meeting attended by about 100 creditors.

Mr Bon, a partner of Spence & Pepler, an accountancy firm, said Giles & Overbury assets were about £2m and its liabilities about £2.4m with £1.8m owed to clients. His plan to realise the assets and pay off creditors' claims was approved.

Mr Bon said 550,000 shares of Skyline Exploration, a Canadian gold-mining stock, would be distributed to entitled clients of Giles & Overbury within a few days.

The market had feared Mr Bon would have to sell the shares if he were unable to match them with shareholders and this had depressed the price.

Giles & Overbury suffered severe cash-flow problems when Charley Davies, a Leeds financial services group which was its largest shareholder, faced financial difficulties in January.

APPOINTMENTS**Salomon Brothers London posts**

SALOMON BROTHERS INTERNATIONAL, London, has appointed Mr Johannes G. M. Dierksen, Mr Nicholas Legg, Mr Lorenzo Ward and Mr John F. Lorenzini to its international corporate finance department. Also, Mr Edward S. Tschirhart, senior adviser to the merger and acquisition division in the New York office, has relocated to London. Mr Troubh, a financial consultant and former general director of Lazard Frères & Co, in New York, from 1968-73, joined Salomon Brothers as a senior adviser in June 1986. He serves as a director of several corporations, including Bechtel Dickinson and Co, and Warner Communications, and is a former member of the American Stock Exchange. Mr Zinn, vice president, will focus on the merger and acquisition strategic services of the firm. He joins from Morgan Guaranty, New York, where he was vice president. Mr Dierksen, vice president, will be responsible for corporate finance activities in the Netherlands. Prior to this appointment he was a vice president in the international capital markets group at Salomon Brothers. He was director of administration at Welbeck Finance.

Mr Richard Baker, a specialist in retail and consumer credit, has been appointed to the management consultancy practice at ARTHUR YOUNG'S Leeds office. He was director of administration at Welbeck Finance.

TOUCHE ROSS has made the following admissions to the chartered accountancy and management consultancy partnership. Touche Ross & Co: Mr Stephen Akers, Leicester; Mr Stephen Almond, London audit; Mr Margaret Boraston, London audit; Mr David Eagle, Leeds audit; Mr Nicholas Evans, London audit; Mr Christopher Fitzgibbon, London tax; Mr Gavin Hamilton-Jeeley, London ISD; Mr Martyn Jones, executive

officer; Mr David Peck, Cardiff audit; Mr Richard Peters, Leicester audit; Mr Graham Richardson, London audit; Mr Peter Vanderven, London audit; Mr Steve Woodward, London audit. Mr Akers will be moving to the Manchester office and Mr Vanderven will transfer to the Isle of Man. Touche Ross Services, Birmingham; and Mr Paul Williams, Touche Ross & Co, Jersey; Mr Nicholas Cattifford, Touche Ross Associates, Jersey; Mr John Hartin-Edge.

FRONTPRINT has appointed as managing director Mr Derek Metersherd. He was marketing director/general manager at Lee Cooper.

S. LYLES, Dewsbury-based yarn spinners, has appointed Mr Stephen East as production director of its wholly owned subsidiary S. Lyles Sons & Co. He was production manager.

Mr Alastair Franklin, a specialist in retail and consumer credit, has been appointed to the management consultancy practice at ARTHUR YOUNG'S Leeds office. He was director of administration at Welbeck Finance.

BALLANTYNE, McKEAN AND SULLIVAN has promoted Mr Hugo E. Wilson, Mr Francis Mr Russell, Mr David T. Stirling and Mr Michael J. Walsh to assistant director.

EXCELL COMMUNICATIONS has appointed Mr David Wilson as sales director. He joins from Teletext, a Don Johnson Information technology subsidiary, where he was head of marketing.

of the Thames opposite the Houses of Parliament.

The LRB said in November it would negotiate exclusively with ICE for the disposal of its GLC industrial portfolio.

Some properties were being bought by individual boroughs and ICE would be selling on some properties to local authorities once the transaction had been completed.

The London Residential Body established by the Government to wind up the affairs of the GLC, has embarked on a large scale sales programme. It is in place of a sale in the market County Hall, the former GLC headquarters on the south bank

purchase.

The association did not make a bid but six of the borough pension funds hold equity in the GLC and may take part in the final package ICE is putting together for completing the purchase.

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TUESDAY: Queen's Awards for Science and Technology.

WEDNESDAY: Lord Young, Employment Secretary, Mr John Prescott, Labour spokesman, and Mr Malcolm Bruce, Alliance spokesman, at CBI industrial relations conference. Sir Geoffrey Howe arrives in Sydney.

THURSDAY: Guinness results for 1986. Independent Schools Information Service statement on legal opinion on the abolition of independent schools, removal of charitable status, and imposition of VAT on school fees. Eighth round of talks on nuclear arms control starts in Geneva.

FRIDAY: TSB annual meeting, Glasgow.

LABOUR NEWS

NUS forced by members to halt talks on crewing

By Our Labour Correspondent

OPPOSITION by members of the National Union of Seamen to suspend flexible crewing agreements for North Sea oilfield support ships.

The union has signed such agreements for three ships. In each case, crew members are paid a daily rate, can be laid off without pay at as little as 72 hours' notice, and receive no holiday or sick pay, bounces or overtime.

NUS members fear the agreements could undermine the pay and conditions of crews of other support ships. Negotiation of any similar deal has been suspended until a special meeting next month of all crew to discuss the issue.

The NUS has offered the agreements to shipping as an initiative to counter Norwegian competition in the North Sea. The union believes about a dozen Norwegian ships operate in the British sector.

So Kodak made the decision to boost the advertising campaign by a third to £1m and employ actor Jimmy Nail to star in the comedy series *Air Vice-Marshal*, set to persuade the consumer market that it is worth paying a little bit more to have pictures of a holiday or wedding that has true-to-life colours in it," says Mr Bottomley.

Mr Harry Brygate, an NUS official in Aberdeen, said the aim was to encourage UK shipowners to buy some of the 50 or so vessels laid up in Norway and operate them on competitive costs.

Mr Brygate said: "We have said that if they are willing to speculate and bring in new tonnage, without putting our present members out of work, then we would be willing to accept a deal."

The NUS believes the surplus Norwegian ships are bigger, more powerful and newer than the typical British-owned vessel. With advantageous crewing agreements, the ships could be used by UK companies to serve the Norwegian oil of the British sector.

The three agreements signed by the NUS are all for former Norwegian ships, two of the owners of the *Air Vice-Marshal* and the other to OIL, the Ocean Transport and Trading subsidiary.

The daily pay rate is said to be about £25, a little less than twice the usual rate under a traditional agreement. The NUS says the two shipowners have undertaken not to displace crews with conventional terms and conditions.

Thomson, however, maintained that Mr Bon had already virtually sold out and that bookings were already strong for the peak months of July and August.

He said: "Discounting has already started and we are likely to see a great deal more."

Hugh Robinson, a travel agent, also claims that there are hundreds of thousands of bookings still to be sold out for the peak booking dates.

Thomson, however, maintained that Mr Bon had already virtually sold out and that bookings were already strong for the peak months of July and August.

Other tour operators reported

Prison officers' leaders back Home Office deal

By DAVID BRINDLE, LABOUR CORRESPONDENT

LEADERS of the Prison Officers' Association have decided to recommend acceptance of Fresh Start, the Government's pay and conditions package offering the prospect of long-term stability of the prison service.

The decision by the union's national executive committee makes agreement on the deal almost certain. It also puts an end to lengthy deliberations.

After lengthy deliberations, however, the executive committee has come out comfortably in favour of acceptance. The 18,000 POA members will next week receive union publicity material urging a "Yes" vote in a secret ballot to be held between May 5 and May 7.

Fresh Start represents far-reaching reform of systems of prison service. Subject to detailed local agreement, each prison establishment would introduce group working tailored to its needs and designed to improve both staff conditions

and inmate regimes.

Prison officers, currently said to work an average 16 hours' overtime on a basic 30-hour week, would be given salaried status under a programme aimed at putting all officers on 38 hours by 1992.

Including the Treasury's 4.25 per cent basic Civil Service pay offer for the year, a prison officer would receive a salary of £13,958 (£12,562 with a maximum 15-year service increment). By continuing to work 48 hours, however, an officer would receive £15,658 (£15,211).

The number of contracted hours would gradually fall over five years to 39, with no loss of gross pay, and the basic rate would rise proportionally

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Caterpillar sit-in talks adjourned

By Our Labour Staff

TALKS TO end the 13-week-old workers' occupation of the closure-bound Caterpillar plant in Uddevalla, near Glasgow, have reached a "critical" stage and been adjourned until next Tuesday.

The company said yesterday: "While some progress has been made, substantial differences still exist and we consider that both sides should have time to seriously reflect on and review their position."

Caterpillar announced in January that it was to close the plant, with the loss of more than 1,200 jobs, because of overcapacity in the earth-moving equipment industry. Hundreds of workers are defying a High Court order to end a sit-in at the plant.

The talks, which are being held through the conciliation service Acas, are thought to focus on a demand by union leaders that the company should not dismantle or remove machinery if the sit-in ended.

© Soup kitchens and emergency advice centres have been set up in Glasgow and other Scottish cities to help unemployed people left without their usual benefit cheques this weekend after disruptive action by civil servants in their national pay dispute.

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Saturday April 18 1987

Cloud abroad, sun at home

MR NIGEL LAWSON, the Chancellor, warned in his budget statement a month ago that the relative delights he was promising at home could still be jeopardised by events abroad. He was talking, of course, about economic policy and, in particular, about the serious imbalances afflicting the three major economies—the US on the one hand, and West Germany and Japan on the other.

He was perhaps more right than he knew. Since the British budget, progress at home has been fairly sedate. It is international events that have been dominant, and not only in the economic field.

The US has introduced trade sanctions against Japan. Britain has had its own sanctions imposed with Tokyo over Cable and Wireless. The West German economy obstinately refuses to grow and the Louvre agreement on exchange rates, reached only in February, has several times threatened to come unstuck. No doubt it was part of the Chancellor's new-found prudence to warn that it is impossible to be virtuous at home, if the rest of the world is wicked.

Old-fashioned diplomacy—about arms, not trade and conducted with Moscow rather than Tokyo—has also been moving fast. Mr Mikhail Gorbachev, the Soviet leader, has begun to take the initiative in his calls for East-West negotiations. The situation when the West could always avoid taking awkward decisions about policy because the Soviet Union could be relied upon to say "no" to almost any western suggestion have gone. It is Mr Gorbachev who appears to be making the running, and the West is not used

Flexible response

There are more problems here for the western Europeans than for the Americans. President Ronald Reagan, in what are probably the last few months of his effective power, would obviously like an agreement with the Soviet Union on strategic—that is, intercontinental—nuclear weapons. Since there is such a level of overkill on both sides, even cutting them by half would make no great military difference, though it would show that the two superpowers are again capable of negotiating.

Intermediate nuclear forces—the cruise and Pershing missiles that have been talked about for so long—may be more difficult. The western powers proposed the zero-war option. Mr Gorbachev surprised them by endorsing it. The Americans seem tempted to go along, yet the Europeans are clearly worried that they

will be losing part of their nuclear shield.

It was the Soviet leaders' offer to Mr George Shultz, the US Secretary of State, in Moscow this week to eliminate short range missiles as well that really caught the Europeans on the hop. For the short range weapons are not directly about superpower relations at all; they are about the defence of Europe and, in particular, the defence of West Germany. They are there as a deterrent against aggression, but also as part of the strategy of flexible response under which they might be used in the hope that a full-scale nuclear war could be averted. If they were to go, western Europe would be decentralised, save for the British and the French strategic forces. A massive imbalance in conventional power in the Soviet favour would remain.

Yet the West can hardly take up the old Russian habit of saying "no" to everything. Clearly there will have to be negotiations. The aim should be to include conventional forces, as there is already provision to do in the negotiations that have been going on for more than a decade in Vienna. At the same time, the Europeans will have to look even more urgently than they have been doing in the last few months for a defence policy that is rather less dependent than in the past on American protection.

While the international scene, both economically and diplomatically, is more fluid than for some years, the sun has come out at home. The latest unemployment figures show a further seasonally adjusted fall of more than 30,000. Since the registered number out of work has been dropping for more than six months, this must now be a trend, even though the overall figure is still above 3m, and there is some doubt about the basis of calculation. The public sector borrowing requirement for 1986-87, announced this week was £2.5bn—£300m less than the Chancellor's forecast a month ago.

The public opinion polls are cheery, too, from the Government's point of view. Gallup in the Daily Telegraph on Thursday gave the Tories an 11-point lead over the Alliance and 124 per cent over Labour. It is said that we shall know more about the election timing after the local elections on May 7, although local results have always been hard to interpret and may carry no clear message. By now Mrs Thatcher should have the self-confidence to believe that she can win at any time. More important is that the Government should be working out its strategy for the third term. The clouds abroad

will be going to panic, be sure to panic early—old stockmarket adage.

EVEN THE most astute investor must have noticed the perplexing lack of correlation between the performance of stockmarkets and the performance of the world's leading economies. Financial markets seem to have broken free from real-world constraints and (with occasional mild setbacks) are enjoying a heavenly dance of their own creation.

The uncoupling of bourses from economic reality has been most obvious since Christmas. The World Index, published by the US Federal Reserve, will be forced to raise US interest rates significantly to defend the dollar. It is the prospect of higher interest rates that has led to a staggering 53 per cent in dollar terms (37 per cent in yen) from a high which many considered unsustainable in 1986.

Yet the economic news has been uniformly depressing throughout this period. The weak world economic recovery that began in 1982 is persisting. Leading official forecasters are slashing their growth forecasts:

As for Tokyo: even the hardened professionals are beginning to blanch

Monetary Fund expects growth in the industrialised world of only 2.3 per cent this year; six months ago it was confidently predicting 3.5 per cent.

The rate of world economic growth has fallen every year since 1984, resulting in what economists used to dub a "growth recession." Japan and West Germany, whose traditionally dynamic export sectors have suffered as a result of rapid currency-appreciation, do not seem that far from outright recession.

Activity in both countries began to stagnate towards the end of last year and may have declined in the first quarter of 1987. Many independent economists and two of West Germany's leading research institutes are expecting that country's GNP to expand by only 1 per cent this year.

In Japan, the picture is little brighter. The Ministry for International Trade and

Industry warns that, in the absence of a macroeconomic stimulus and with the dollar at current levels, the growth rate is likely to slump to 1.6 per cent.

Significantly, the latest indications of growth in both Japan and West Germany are gloomier than the assumptions made in the IMF's forecasts of 2.5 per cent. It seems highly unlikely that faster than expected growth in the US will make up the difference.

Following the finance ministers' abortive attempts to rescue the financial markets in Washington 10 days ago, the US Federal Reserve will be forced to raise US interest rates significantly to defend the dollar. It is the prospect of higher interest rates that has led to a big loss.

This means that present buying is essentially speculative: the buyers plan to get out of the market with a handsome capital gain before the crash.

The combination of slowing economic growth and stratospheric stockmarket prices in all the main economic centres certainly looks alarming. Is there a reassuring explanation of these apparently contradictory trends: could stockmarket investors be signalling their appreciation of fundamental changes that are not being picked up by gloomy macro-economists?

Stockmarket insouciance (excluding the US) in the face of these trends is the more surprising because the world economy is not losing its momentum gracefully. Sluggish growth is worsening the plight of many Third World debtors, who are becoming extremely restive and fearing the next round of reparation since the 1930s when President Hoover signed the protectionist Smoot-Hawley tariff bill with six golden points.

Predictably enough, the West German stockmarket is one of very few bourses to show any confidence this year. The equity price, rather than soaring, having fallen by around 12 per cent, Wall Street may have retreated from its euphoric new year high, but it is still showing an implausible gain of 17 per cent since Christmas, 17 per cent and dollar tailspin notwithstanding.

As for Tokyo: even the hardened professionals are beginning to blanch. The market has enjoyed an electricity rise since 1985—the period during which Japanese industry has been hammered by the appreciating yen. Dividend yields are now negligible and many stocks are selling at seemingly ludicrous multiples of earnings.

The conventional explanation of the market's levitation, at a time when the profit prospects of Japanese companies are un-

likely to improve, is that the market is being driven by a "major correction," he warns, because they have "accelerated away from their trend lines" at a time when economic fundamentals are not improving. He suggests that there is little economic rationale for the recent liquidity-driven bull run.

Equity markets could suffer

from a "major correction," he warns,

because they have "accelerated away from their trend lines" at a time when economic fundamentals are not improving. He suggests that there is little economic rationale for the recent liquidity-driven bull run.

Some of the part-burdened

of world bourses are

readily explained. The 1980s have witnessed sea-changes in economics, most of which have been good for companies. Governments around the globe have adopted more market-oriented policies and begun to rein back growth of the public sector. Most important of all, they have more or less killed off inflation.

According to the Analyst, in a full-blown financial mania

absolute standards of valuation become irrelevant. "Before it is

up Zapata Petroleum. A few

years later, Mr Bush moved

across into politics and Hugh Liedtke got his first big break

in the oil business when he

persuaded J. Paul Getty, one

of the richest oil men, to let

him take control of South Penn Oil, the predecessor of Pennzoil.

For the last 25 years, Liedtke

has lived by the code of the oil

patch and treasures his mem-

bership of the All-American Wild-

catters Association whose motto

is "My word is my bond."

Texaco has never been a

member, he notes.

Pennzoil has been more suc-

cessful than many oil companies

and shareholders have enjoyed

a compound annual growth rate

on their investment of 21.3 per

cent. Consequently, he was

invited to lunch on January

8, 1984, that Texaco had bought Getty Oil, two days after he

thought he had agreed to buy it.

"I have always believed that

Texaco felt that Pennzoil was

such a small company that would

not fight back. Or, if we did,

Texaco thought we could be easily

bought off," says Liedtke who

sees the whole dispute as a

dirty conspiracy between a bevy

of highly paid New York invest-

ment bankers and lawyers

designed to cheat Pennzoil. "I

do not believe that any other oil

company would have done

what Texaco did."

Texaco, for its part, argues

that under New York law,

Pennzoil never had a valid

contract to purchase Getty and

is not entitled to any damages.

Hugh Liedtke has delayed his

retirement so that he can con-

tinue to lead Pennzoil's legal

team against Texaco. But even he

may have to revise his plans

if Texaco begins to settle down

to a long stint in the bank-

ruptcy court. "I may fool with

it for another year or two but

I've got things I want to do

which are much more pleasant

than running around a bank-

ruptcy case," says Liedtke who

would like to spend more time

on his ranch where he keeps

300 cattle and two buffaloes.

Bett and Snort. He is facing

considerable pressure to deal

Pennzoil back into the game

and regain the initiative he lost

this week to Texaco.

After studying law at the

University of Texas, where he

rented rooms from a young

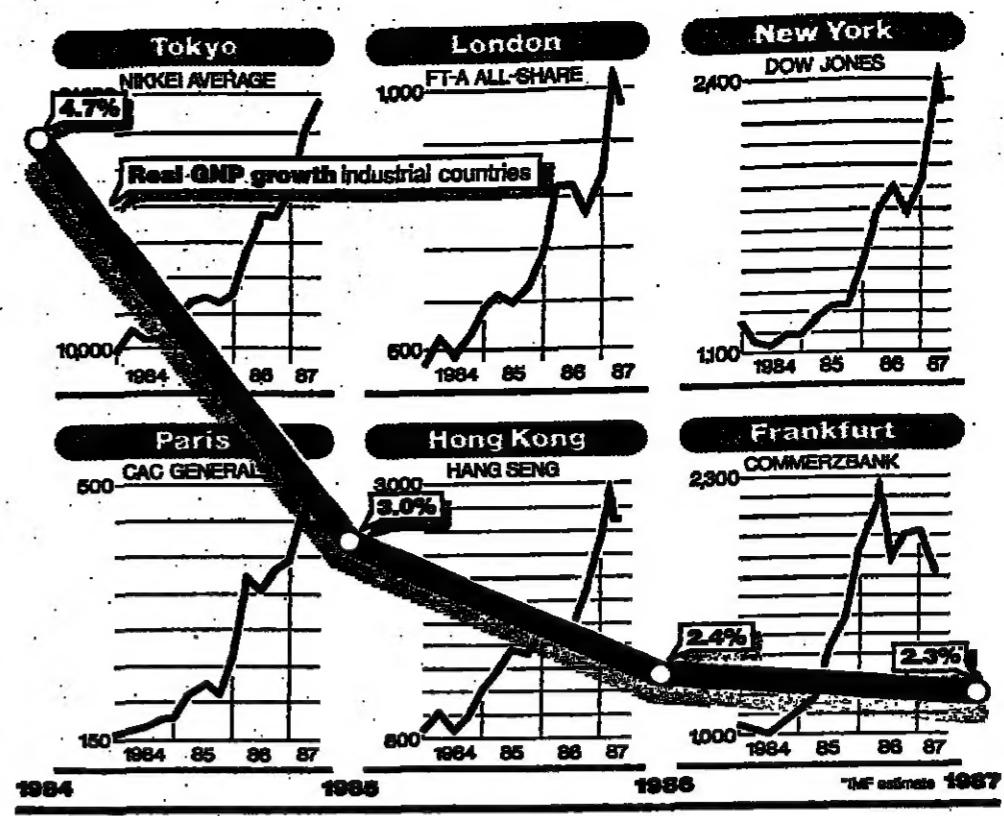
Congressman by the name of

Lyndon B. Johnson, he joined

forces with George Bush, to set

Michael Prowse examines why stockmarkets appear to have broken free from economic reality

When disbelief can no longer be suspended



over, most of the intelligent money class will be sucked in. At the top, it will seem to most that risk is negligible, that prices are cheap and that they will rise, if not forever, at least long enough to make it worthwhile to play.

Mr David Morrison, chief international economist at Goldman Sachs in London, while not alarmist, is clearly concerned about the investment outlook. "The small guy," he says, "should definitely be worried." He recommends a shift out of equities and into bonds—but not US bonds, which are vulnerable because of the weak dollar.

The main reason for caution remains the unhappy macroeconomic outlook. The world economic cycle over the past five years has been heavily influenced by US fiscal policy. Rapid world growth in 1984 was preceded by a large net fiscal stimulus—the gift of Reaganomics. According to IMF figures, the net stimulus taken from the US weakened progressively thereafter, as steps were taken to control the deficit, and turned negative in 1986.

In spite of much talk about the recovery of the rest of the OECD economies (which is half as large again as the US) has failed to take up the baton. With little or no leadership from Japan and West Germany, world fiscal policy has become firmly contractionary. On IMF figures, the negative fiscal impulse between 1986 and 1988 is set to be larger than the positive stimulus of 1983 to 1984.

It is small wonder that growth projections are being revised down. The contractionary fiscal policy is being exacerbated by high real interest rates, trade wars, and a collapse of commodity prices, which has robbed developing countries of purchasing power. On top of this, the surplus countries are understandably struggling to cope with an enormous appreciation

of their currencies.

It may be that the world economy is going through a painful transition. Growth may pick up again once countries—and entrepreneurs—have had time to adjust to the new pattern of exchange rates. Japan and Europe may yet come forward with a large demand stimulus

IT TOOK the cycling division of Peugeot, the French car manufacturer, more than 10 years to build a bicycle which accommodated the English bottom.

"Each country has its own cycling fashions, traditions and different consumer standards," says Mr Laurent Binoche, managing director of Peugeot UK, which started selling bicycles in the UK in 1972. Last year, its UK sales rose by 30 per cent in a static market.

"Take the touring bicycle," says Mr Binoche. "The Frenchman wants a sporty ride. On a trip from Lille to Marseilles he would simply attach mudguards to his racing bicycle and ride it like a racer. The Englishman would want a more comfortable ride which would include a different sort of saddle, full mudguards and a longer wheelbase."

Every country, according to Mr Binoche, has its peculiarity in selecting the perfect ride.

The Dutch like heavy bicycles including mudguards and skirt guards. The Scandinavians have a penchant for back-pedalling brakes. The Italians like a chic bike and the Spaniards look for high-tech.

In addition to individual market preference there are different safety standards and market segmentation. The need to understand them more deeply is one of the bigger challenges facing UK cycle makers at a time of growing import penetration.

In the last 10 years the UK bicycle industry has been struggling. The market has remained constant at about 1.5m units a year, but domestic annual production has dropped from 1.8m units to 1.1m, exports have fallen from 1.1m to 150,000 and

THE NATIONAL Gallery in London is expecting record crowds this Easter, drawn by the chance to see the plans for the new Sainsbury extension to the Gallery, unveiled this week, and an important acquisition, Constable's painting "The Young Wainwrights" which has just been hung alongside his "Haywain".

Coming in a month which has also seen the opening of Van Gogh's Sunflowers, which used to hang in the National Gallery, but aroused little interest, the Gallery continues to smaller versions of the work. But the fact that the Gallery could not in any case have raised the £1m needed to keep it in the UK when it was offered to the nation reflects the seriousness of the crisis.

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Britain's bicycle industry

Pedalling furiously to catch up

By Lisa Wood

Imports have risen from 250,000 to 580,000—a trend fuelled in the early 1980s by the cult of the BMX bicycle, mostly made in the Far East.

Mr Norman Court, managing director of Humber-based Falcon Bicycles, one of the UK's few volume bicycle manufacturers, says one of the main factors behind the domestic industry's problems is overcapacity in Europe. "There are areas of the market where it is now almost impossible to make the equipment."

A lot of companies have gone out of business and I reckon that in the whole of Europe there are only a handful making any money."

But while West European manufacturers have had to contend with a sharp drop in home market value in the UK the market has been virtually static. So what has gone wrong?

"Bank bad management," says one managing director who declined to be named. "The quality of our products was oftenousy and the Japanese smothered us in places such as the US."

Lack of export competitive-

ness has clearly been a major factor in the UK industry's

between 25 per cent and 35 per cent in the past four years.

"Most of the major manufacturers in Europe are under pressure," says Mr Sandy Roberts, new managing director of Raleigh of Nottingham, the premier British manufacturer which accounts for some 60 per cent of UK production and is currently the largest in the UK. "The name was associated with the mass market, and any cachet associated with the Raleigh name was diluted."

Raleigh found that the strength of the pound after 1978 meant they could no longer compete in the US, a major market for bicycles. Attempts to maintain marketing of the Raleigh brand in the US by Huffy, the US bicycle maker failed to make an impact on specialist dealers. The Huffy name was associated with the mass market, and any cachet associated with the Raleigh name was diluted."

Manufacturers also blame the decline of the UK components industry. "There is a limit to what UK bicycle manufacturer can buy in the UK," says Mr Barry Forester, managing director of Dawes Bicycles of Birmingham, another volume producer. "With the collapse of the UK component industry starting in the 1980s, it is now impossible to buy UK-sourced parts, derailleurs, gears, chain sets or tyres."

In addition, Raleigh's belated attempts to get on the BMX bandwagon by producing the children's bike domestically failed when BMX market sales collapsed three years ago.

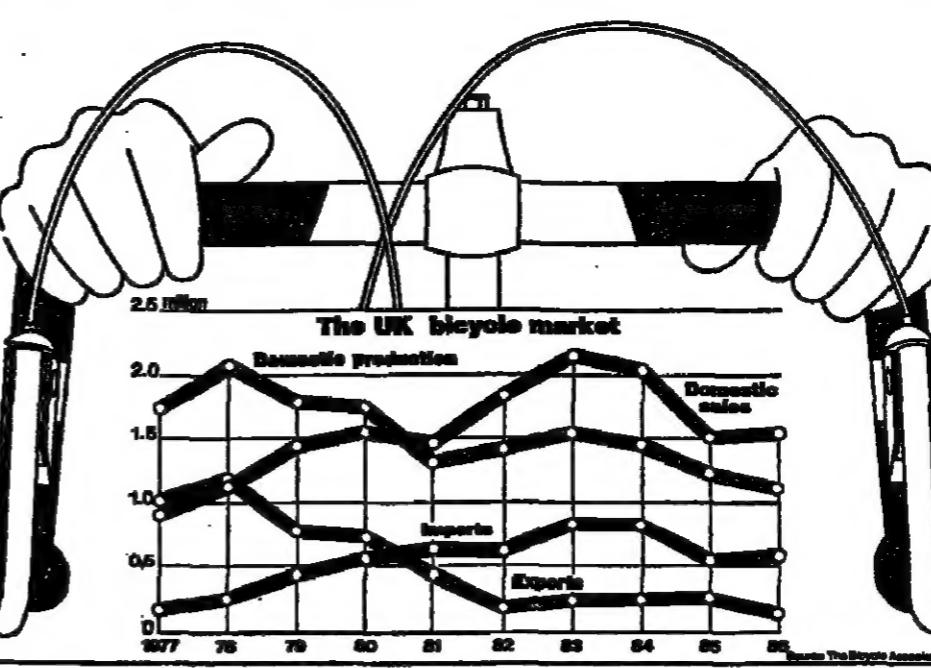
After the dark days of the

late 1970s, when many UK producers, including Raleigh, Daves and Falcon, were beginning to look brighter. Although businesses continue to fail—Freewheel Cycles and Kingston Leisure are two which went into liquidation last year—the survivors claim they are leaner and fitter.

There is evidence that they are moving to improve profitability and increase exports. A critical part of this recovery has been closer attention to the needs of specific markets.

Dawes is profit for the first time last year for six years. This comes after a long period of rationalisation and improvements in productivity.

Two years ago it started to



GALLERY WARS

Behind the painted smile

By Antony Thorncroft

fallen well below rising costs, and purchase grants for new acquisitions have been frozen for three years. British institutions can no longer compete for works of art in the international market and are in danger of losing important items from their own collections.

The export of Van Gogh's Sunflowers, which used

to hang in the National Gallery, but aroused little interest, is the latest in a series of the works. But the fact that the Gallery could not in any case have raised the £1m needed to keep it in the UK when it was offered to the nation reflects the seriousness of the crisis.

In the same way Christie's expects to make the Duke of Devonshire £1m richer on July 6 when it sells 16 of his Old Master drawings from Chatsworth. The British Museum, impressive new buildings are being added to leading galleries, revenue for maintenance has

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Despite the rationalisation that has taken place at Nottingham since 1978—the workforce has been slashed from more than 6,000 to 1,800—Mr Finden-Crofts says overheads are still too high.

It is likely that putting the business on a more international footing will be part of his recovery strategy, including more effective exploitation of links with profitable Raleigh-owned businesses in Canada and Holland.

At present there is little cross-fertilisation between plants and no common sourcing of materials such as tyres. This area is to be investigated.

British manufacturers look with admiration at the improved products of Peugeot in France, which has undergone extensive restructuring of its bicycle activities. It makes two thirds of bicycles sold in France and accounts for half of all French cycle exports.

The cycle division's improved performance has contributed to a turnaround in the fortunes of Cycles Peugeot, which also makes motorbikes and scooters. It made FF 32m (US\$22m) profit in 1985 against FF 5m in 1984. Mr Binoche, who imports its Peugeot UK, which imports its top-of-the-market bicycles, is to start looking at the needs of North America and Europe. We are not trying to compete at the commodity end. There is a demand, albeit a small part of the market, for high quality bikes."

But it is the problems of Raleigh and its Nottingham plant which have dominated the industry, and attention is focused on the new management's plan for improving the company round.

The head of

UK COMPANY NEWS

SIMULTANEOUS OFFER IN TOKYO AND NEW YORK

Barclays issue will raise £210m

BY DAVID LASCELLES, BANKING EDITOR

Barclays Bank is to break new ground in international capital-raising by making a simultaneous issue of shares in Tokyo and New York totalling about £210m.

The issue, believed to be the first of its kind, will not include any rights for existing shareholders because it amounts to less than five per cent of Barclays' total capital and it will need their specific approval. However, some institutional investors may object to it on principle to protect the pre-emption rights of UK shareholders.

The complex deal, which involved simultaneous filings of documents in London, New York and Tokyo, will be priced and issued in the second half of May. It was made possible when Barclays obtained listings for its shares in both the US and Japanese exchanges last year.

In Japan, Barclays will be offering 20m ordinary shares.

In the US it will package 21.5m shares into 5.4m American Depository Shares, the form in which non-US securities are traded on Wall Street. In addition, the US underwriters will have an option to buy a further 800,000 shares to cover any over-alignments.

Sir Timothy Revin, Barclays chairman, said the offer would support the bank's growth and encourage wider ownership and trading of its shares.

Mr Humphrey Norrington, the executive director in charge of overseas operations, said the principal purpose behind the issue was to place sufficient shares in both overseas markets to stimulate local trading and prevent the shares flowing back to the UK.

Barclays' investigations had shown that about £100m worth of shares was needed to achieve a listing in New York and that an issue of a similar amount by NatWest on Wall Street last year.

On Thursday, Barclays shares closed at 508p, up 5p on the day.

A strong local market would widen Barclays' shareholder base, and enable Barclays to use its own paper to make acquisitions in those countries, Mr Norrington said. Barclays has no immediate need for the new capital, though the issue would improve the group's ratios.

The issue is being handled by Nikko Securities and Goldman Sachs in Japan, and by the same two firms with Salomon Brothers and Shearson Lehman in the US.

Although issues of shares in newly floated companies like British Telecom and British Gas have been made simultaneously on the Tokyo and New York exchanges, this is believed to be the first time that existing shares have been offered on both markets at once.

Barclays has about 18 per cent of its total assets in the US, and is in the process of expanding its activities there. Its Japanese operations, wholesale and travel banking business, and is seeking a securities licence for BZW, its investment banking arm.

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Sharp recovery at Rea Brothers

By David Lascelles

Rea Brothers Group, the small accepting house group, achieved a sharp recovery in profits last year after the heavy losses of 1986 and the subsequent restructuring that was necessary.

Profits after tax and extraordinary items in 1986 were £1.7m, compared with a loss of £32.9m in 1985. Last year's result was hit by extraordinary losses of £1.7m relating to an ill-fated investment in a Dutch bank. Since then, management has been changed, and an £8m rights issue made.

Mr William DaCosta, the chairman, said the group's earnings had had a good year, and the UK business was performing in a consistent manner. But the insurance broking subsidiary produced lower profits in difficult markets.

However, Mr DaCosta said the improvement was no reason for complacency, and he looked forward to even better results in future.

Lyle delays publication of 1986 results

Lyle Shipping has delayed the publication of its preliminary results for 1986 while it continues discussions with secured lenders.

Mr Calum MacLeod, chairman, announced last September that the group was talking to its secured lenders after defaulting on loans.

Discussions are continuing with the bank of Brazil, Comitex, and the group's own bankers, Bank of Scotland. Mr John Maclean, managing director, said the sums involved are upwards of £30m (£30m).

Shares in Lyle shipping closed on Thursday down 4p at 5p.

Until the discussions are completed, the group will not be able to take up its cash and current liabilities. This means the accounts cannot be prepared.

The group says the discussions are complex and the directors are unable to predict whether they will be successful but working capital is being made available for trading purposes.

Mitchell Somers

A special interim dividend of 2.1p, in lieu of a final dividend, has been declared by Mitchell Somers to all shareholders on the register at close of business on April 14, 1987, the day before the offer for both the ordinary and preference shares put or put at least three years while its airline operations are expanded.

Mr Goodman and his colleagues believe that this expansion could be inhibited by the City's concern with the impact of the volatile currency market on ILG's profitability.

The independent directors, who are being advised by Kleinwort Benson, are those directors not joining Mr Goodman in his buy-out plans. However, they are recommending share-

Evered ahead at £10.5m and lifts dividend by 34%

EVERED HOLDINGS, the company with interests in industrial products and metal forming which last week acquired London & Northern, lifted its pre-tax profits by more than 34 per cent from £7.87m to £10.58m on turnover down slightly to £97.3m in 1986 against a previous year's £98.82m.

Shareholders gain substantial benefit with a proposed final payment of 3.5p (2.26p) making a total for the year as per cent higher at 3p (3.5p).

Mr Rashid Abdullah, chairman, said that the decline in turnover reflected the rationalisation of product ranges and the disposal of Brookhouse Castings.

Turnover increased to £10.58m in 1986, up 2.1 per cent from £10.35m last year.

The tax charge was reduced significantly, from £1.51m to £460,000, and net profit climbed from £2.32m to £10.12m. Extraordinary items of £1.13m related primarily to the closure costs at and losses on the disposal of Brookhouse Castings.

Evered's pre-tax profit increased to £2.35m up 34.5 per cent from £1.75m last year.

Mr Abdullah said that the polymers division had performed very well in 1986 and margins had improved by 10 per cent. The metal forming division had also improved its trading margins during the year but now accounted for only 17 per cent of the group's sales, compared with 22 per cent in 1985.

Evered's accountants deal with secured lenders.

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WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co.
Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of stocks per grouping

	THURSDAY APRIL 16 1987				DOLLAR INDEX			
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	1987 High	1987 Low	Year Ago
Australia (94)	134.68	+0.8	122.24	155.13	2.94	134.68	99.92	93.69
Austria (16)	92.54	-0.2	84.12	87.01	2.15	101.42	91.97	83.34
Belgium (47)	118.09	+0.2	107.34	110.08	4.29	120.40	96.39	79.07
Canada (131)	130.73	+1.0	118.63	124.01	2.22	136.17	100.00	108.24
Denmark (97)	110.45	-0.2	102.22	105.15	1.62	112.45	98.39	93.24
France (124)	118.26	+0.5	107.80	112.04	2.25	107.29	98.39	94.83
West Germany (90)	92.90	-0.2	85.35	88.41	2.11	100.33	84.00	93.36
Hong Kong (65)	101.00	-2.7	93.63	103.17	3.79	114.71	96.25	75.93
Ireland (14)	118.17	+1.0	107.42	113.00	3.77	131.44	99.50	91.43
Italy (76)	108.23	+1.0	98.38	104.31	1.57	108.23	94.76	86.95
Japan (450)	154.48	+0.2	140.08	152.45	0.47	154.48	105.00	95.33
Malaysia (14)	120.22	+1.4	112.18	124.12	1.12	120.22	98.56	87.50
Mexico (14)	159.57	-0.2	145.05	201.07	1.01	159.57	97.72	53.71
Netherlands (38)	115.49	+0.7	104.98	117.67	4.12	118.24	95.65	81.46
New Zealand (27)	96.05	-0.8	87.30	109.09	3.09	109.09	85.99	64.27
Norway (25)	130.14	-0.7	118.30	120.34	1.98	131.74	100.00	104.40
Singapore (27)	120.75	+0.0	109.76	118.77	2.08	122.25	99.29	58.02
South Africa (61)	121.03	-0.4	104.56	120.93	3.28	122.31	100.00	77.40
Spain (125)	117.03	-0.4	104.56	120.93	3.28	122.31	100.00	77.40
Sweden (33)	118.64	+1.3	107.84	111.00	2.08	118.64	90.95	82.40
Switzerland (51)	97.76	-0.2	88.86	104.42	1.90	104.42	92.25	82.46
United Kingdom (342)	128.75	+1.2	117.03	117.03	3.57	133.28	99.45	102.41
USA (598)	117.68	+0.7	117.68	117.68	3.12	124.05	100.00	98.50
The World Index (2427)	129.46	+0.7	117.68	122.32	2.04	129.46	100.00	89.13
The World Index	129.46	+0.7	117.68	122.32	2.04	129.46	100.00	89.13

Base rates: Dec 31, 1986 = 100
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EUROPEAN OPTIONS EXCHANGE

Series	May 87		Aug 87		Nov 87		Stock
	Vol.	Last	Vol.	Last	Vol.	Last	
GOLD C	5400	310	5200	310	5200	310	—
GOLD C	5420	91	2500	150	2500	150	—
GOLD C	5440	250	2500	250	2500	250	—
GOLD C	5460	150	2500	150	2500	150	—
GOLD P	5400	17	150	21	150	21	—
GOLD P	5420	150	150	150	150	150	—
GOLD P	5440	15	150	150	150	150	—
GOLD P	5460	15	150	150	150	150	—
SILVER C	5600	15	150	150	150	150	—
SILVER C	5620	121	150	150	150	150	—
SILVER C	5640	121	150	150	150	150	—
SILVER C	5660	121	150	150	150	150	—
SILVER C	5680	121	150	150	150	150	—
SILVER C	5700	121	150	150	150	150	—
SILVER C	5720	121	150	150	150	150	—
SILVER C	5740	121	150	150	150	150	—
SILVER C	5760	121	150	150	150	150	—
SILVER C	5780	121	150	150	150	150	—
SILVER C	5800	121	150	150	150	150	—
SILVER C	5820	121	150	150	150	150	—
SILVER C	5840	121	150	150	150	150	—
SILVER C	5860	121	150	150	150	150	—
SILVER C	5880	121	150	150	150	150	—
SILVER C	5900	121	150	150	150	150	—
SILVER C	5920	121	150	150	150	150	—
SILVER C	5940	121	150	150	150	150	—
SILVER C	5960	121	150	150	150	150	—
SILVER C	5980	121	150	150	150	150	—
SILVER C	6000	121	150	150	150	150	—
SILVER C	6020	121	150	150	150	150	—
SILVER C	6040	121	150	150	150	150	—
SILVER C	6060	121	150	150	150	150	—
SILVER C	6080	121	150	150	150	150	—
SILVER C	6100	121	150	150	150	150	—
SILVER C	6120	121	150	150	150	150	—
SILVER C	6140	121	150	150	150	150	—
SILVER C	6160	121	150	150	150	150	—
SILVER C	6180	121	150	150	150	150	—
SILVER C	6200	121	150	150	150	150	—
SILVER C	6220	121	150	150	150	150	—
SILVER C	6240	121	150	150	150	150	—
SILVER C	6260	121	150	150	150	150	—
SILVER C	6280	121	150	150	150	150	—
SILVER C	6300	121	150	150	150	150	—
SILVER C	6320	121	150	150	150	150	—
SILVER C	6340	121	150	150	150	150	—
SILVER C	6360	121	150	150	150	150	—
SILVER C	6380	121	150	150	150	150	—
SILVER C	6400	121	150	150	150	150	—
SILVER C	6420	121	150	150	150	150	—
SILVER C	6440	121	150	150	150	150	—
SILVER C	6460	121	150	150	150	150	—
SILVER C	6480	121	150	150	150	150	—
SILVER C	6500	121	150	150	150	150	—
SILVER C	6520	121	150	150	150	150	—
SILVER C	6540	121	150	150	150	150	—
SILVER C	6560	121	150	150	150	150	—
SILVER C	6580	121	150	150	150	150	—
SILVER C	6600	121	150	150	150	150	—
SILVER C	6620	121	150	150	15		

UNIT TRUST INFORMATION SERVICE

FT UNIT TRUST INFORMATION SERVICE

Financial Times Saturday April 18 1987

FT UNIT TRUST INFORMATION SERVICE

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120-121

For Ever Growth Fund

100 Boulevard Royal, Luxembourg

94-95

Fidelity International

9 East St, St. Helier, Jersey, C.I.

20001, P.O. Box 100, Luxembourg

L-1855

Am. Inv. Fund

100 Boulevard Royal, Luxembourg

L-1855

First Commonwealth Securities Fund

2, Boulevard Royal, Luxembourg

L-1855

Flame Group

100 Boulevard Royal, Luxembourg

L-1855

Furman-Sherman Management Ltd

C/o 100 Boulevard Royal, Luxembourg

L-1855

Furness Fund

100 Boulevard Royal, Luxembourg

L-1855

Gardiner Fund

100 Boulevard Royal, Luxembourg



FINANCIAL TIMES

Saturday April 18 1987



Argentina gives incentives to ease debt deal

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

A \$32bn (£18.6bn) debt restructuring and loan deal clinched by Argentina this week with Mexico, said the Argentine contains incentives designed to accelerate banks' commitments and avoid the delays which have dogged a similar package for Mexico.

For the first time in the 43-year history of the developing country debt crisis, Argentina's 350 creditor banks are to be offered participation fees if they respond positively within 60 days of receiving the terms.

Bankers on the committees of leading creditors which negotiated the deal are striving to defend the Argentine terms. These are close to those obtained last year by Mexico against strong opposition from the main creditor banks, which said the Mexican accord would not set a precedent for other debtors.

Mr William Rhodes, the executive of Citibank of the

US, who chairs the committees dealing with both Argentina and Mexico, said the Argentine accord reflected "economic progress over the past few years."

Senior bankers said the agreement followed warnings reported to have been issued by Argentina behind the scenes at an International Monetary Fund meeting in Washington last week. These said Argentina might follow Brazil in offering interest payments if it did not receive a fresh loan soon.

However, the street does not appear to have radically altered the terms which had been under discussion.

The Philippines, which last month settled for tougher terms on a \$10.3bn rescheduling, is demanding the same deal as Argentina. Many bankers believe the argument that Mexico's was a one-off deal no longer carries much weight.

Partly because of delays in

implementing the Mexican package, banks recently have come under pressure from Western governments to speed up lending to troubled debtors. The delays have been caused by reluctance of banks, especially smaller ones, to lend more to Mexico and by arguments over how much each bank should provide.

Bankers said Argentina, which has complained about the slowness of the process, proposed participation fees. Banks making commitments within 30 days of receipt of the detailed terms, due by the end of the month, will receive a fee of 1/2 of a percentage point. If they commit within the following 30 days, they will receive a fee of 1/4 of a percentage point.

In addition, the advisory committee is expected to head off arguments which afflicted the Mexican accord by revising the base amount of Argentine ex-

posure upon which requests for the new \$1.85bn loans are calculated.

Typically, banks are asked to put up a given percentage of their exposure based on their outstanding loans in 1982. Since then, banks sold or swapped their loans on the secondary market.

Bankers said Argentina,

which has complained about the slowness of the process, proposed participation fees. Banks making commitments within 30 days of receipt of the detailed terms, due by the end of the month, will receive a fee of 1/2 of a percentage point. If they commit within the following 30 days, they will receive a fee of 1/4 of a percentage point.

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posure upon which requests for the new \$1.85bn loans are calculated. Typically, banks are asked to put up a given percentage of their exposure based on their outstanding loans in 1982. Since then, banks sold or swapped their loans on the secondary market.

The Argentine agreement contains a \$30bn rescheduling over 18 years including seven years of grace at 1/2 of a percentage point over Eurodollar interest rates, a \$1.35bn 12-year loan with a 1% interest margin and a \$400m four-year trade credit with a 1% margin.

There are provisions for \$600m of on-lending—the transfer of loans to different borrowers within Argentina and for conversion of debt into equity involving the investment of an additional dollar for each dollar of debt swapped.

The Argentine agreement is also innovative in that it incorporates an Argentine proposal for so-called "exit" bonds. These would give banks with small loan exposure a means to terminate it by accepting a long-term, tradable bond instead. Details of the terms are still being worked out, but such bonds would be subject to a maximum of \$5m each.

Bankers add: The World Bank yesterday said it approved a \$125m loan to assist development of small and medium-scale industry in Argentina. The bank said the project encourages modernisation and increased productivity of small industry, enabling the sector to be more competitive, increase employment and develop further outside major urban areas.

The loan is for 15 years, including three years of grace, with a variable interest rate, at present 7.32 per cent.

Ex-gilt chief quits at Merrill Lynch

By Clive Worman

Mr JOHN HUTCHINSON, one of the most prominent figures in the UK Government-gilt-edged securities market, has resigned as managing director of the European arm of Merrill Lynch, the US securities house.

The announcement that Mr Hutchinson was leaving to "devote his time to personal business interests" followed reports that Merrill Lynch, in the run-up to the Big Bang deregulation of the City last October, suffered large losses in an aggressive bid to win a 20 per cent share of the gilt market. Its policy of carrying out large trades on very narrow price spreads was subsequently reversed and its market share is believed to have fallen back below 10 per cent.

Last October, Mr Stephen Litchfield, managing director of Merrill Lynch Europe, took over the management of Merrill Lynch Government Securities from Mr Hutchinson. Mr Stanislas Kasimovich, chairman of Merrill Lynch Europe, said on Thursday: "John made the significant contribution to getting us started in the gilt market. But perhaps he finds it a bit duller now."

He said Mr Hutchinson's departure was not a consequence of Merrill Lynch's losses, which in this case were in line with expectations for an operation just starting up. The losses were caused by a combination of start-up costs, aggressive pricing and the fall in gilt prices last summer.

Mr Yassukovich said Mr Hutchinson had taken a long time to recover from a back injury last summer. He added: "I am not sure what business interests John will have. He has probably not decided himself."

Mr Hutchinson joined Merrill Lynch in March 1985 at the age of 35 after resigning as senior gilt partner of Webb Durlach Mortimer, one of the two leading gilt market makers, because of a policy disagreement.

His resignation from Merrill Lynch, which will take effect at the end of next month, highlights the difficulties US institutions have had in managing British staff in their fledgling London operations. Citicorp, Chase Manhattan and Salomon Brothers have all suffered staff upheavals and resignations over the past year.

CHIEF LONDON PRICE CHANGES THURSDAY

(Prices in pence unless otherwise indicated)

	Rises	Falls
Treas. 13/pc '86/87 £132.1 + 1%	Ling Propri. 383 + 11	
APT. Banks 618 + 11	Land Securities 403 + 11	
Allied Lyons 309 + 13	Leeds (W.) 132 + 28	
Avis Europe 301 + 94	Lloyd's 378 + 28	
BPB Inds. 650 + 14	London Inst. 511 + 10	
Blue Circle 503 + 13	Midland Bank 605 + 23	
BP 675 + 7	NatWest Bank 583 + 17	
Brit. Telecom. 245 + 7	Rothmans 2551 + 10	
Cable & Wireless 328 + 12	STC 285 + 19	
Castrol 457 + 28	Wellcome 310 + 18	
Fisons 620 + 33	Whitbread A. 310 + 8	
GEC 202 + 10	Elandsrand 870 - 102	
Heath (C.E.) 493 + 13	Randfontein 592 - 102	

WORLDWIDE WEATHER

	Y-day midday °C °F	Y/day midday °C °F	Y/day midday °C °F	Y/day midday °C °F	Y/day midday °C °F
Alessio 517 62° Jaffet 518 62°	Majorca 518 64° Reykjavik 518 64°	Malta 519 65° Rio J. 519 65°	Melita 519 65° Rome 519 65°	Melilla 519 65° Salzburg 519 65°	Melilla 519 65° S. P. C. 519 65°
Aristea 515 60° Athens 517 63°	Edirne 515 60° Edirne 517 63°	Edirne 515 60° Elba 517 63°	Elba 515 60° Elba 517 63°	Elba 515 60° Elba 517 63°	Elba 515 60° Elba 517 63°
Bahrain 321 68° Beirut 515 63°	Beirut 515 63° Berlin 515 63°	Beirut 515 63° Berlin 515 63°	Berlin 515 63° Berlin 515 63°	Berlin 515 63° Berlin 515 63°	Berlin 515 63° Berlin 515 63°
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Djibouti 517 63° Luanda 518 65°	Peking 518 65° Peking 518 65°	Peking 518 65° Peking 518 65°	Peking 518 65° Peking 518 65°	Peking 518 65° Peking 518 65°	Peking 518 65° Peking 518 65°
Djibouti 517 63° Luanda 518 65°	Prague 514 67° Prague 517 63°	Prague 517 63° Prague 517 63°	Prague 517 63° Prague 517 63°	Prague 517 63° Prague 517 63°	Prague 517 63° Prague 517 63°
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Hong Kong democracy 'unlikely'

BY ROBIN PAULEY, ASIA EDITOR

DENG XIAOPING, the Chinese leader, has dealt a sharp blow to British hopes that democracy in the shape of full direct elections might be introduced in Hong Kong before its return to Chinese control in 1997 and continued afterwards.

In his strongest comments yet on political reform in the British crown colony, Deng said Peking must reserve the right to interfere in the area if anything happened "that might threaten the fundamental interests of the state".

Deng was speaking in Peking to about 50 members of the committee drafting the basic law which will apply to Hong Kong once Britain relinquishes control.

Deng's comments appear to make full elections doubtful. Even if they were introduced, his comments about the right of Peking to interfere indicate they would be cancelled in 1997.

Deng said the basic law, to be produced by the drafting committee, would be the ultimate test of China's "one country, two systems" policy.

He told the committee that the present capitalist system in

the colony would last at least 100 years after 1997—twice as long as stipulated in the Sino-British agreement over Hong Kong's future, signed in 1986.

He added that Hong Kong would remain unchanged as long as the Communist Party remained in power in China and there was no change in socialism. However, he said that Western models for democracy such as systems involving one person, one vote would not be suitable for Hong Kong, because there would not necessarily guarantee that the area would be ruled by the "socialist patriots" it needed.

The strength and timing of Deng's comments are significant. The Hong Kong Government is to publish a green paper next month outlining options for political reform in the transition period up to 1997.

After weighing the response to the green paper, the government will produce a white paper early next year. According to the Legislative Council, this hybrid parliament currently comprises administrators, private citizens appointed by the Governor and citizens elected to remain in the top job.

IC Gas sued over bid defence document

By Lucy Kellaway

GULF RESOURCES, the US company controlled by the British investors Mr David and Mr Frederick Barclay, is suing the International Continental Gas and Oil Corporation and its directors for alleged defamatory statements during the

recent legal proceedings for defamatory action brought by Peking's thwarted \$750m bid for the company last year.

The action was brought following the publication in November of a 17-page defence document in which IC Gas criticised Gulf.

Gulf's action contributes to a recent spate of threatened legal proceedings for defamatory action brought by Peking's thwarted \$750m bid for the company last year.

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WEEKEND FT

Saturday April 18 / Sunday April 19 1987

• MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV •

RAFIQ's father came to Bombay from near Aurangabad in 1948. He lived on the pavement and worked as a ward boy in the municipal hospital. He was offered a site at Cheeth Camp on the edge of the city for a house, but it was too far away from work, so he refused. He lived on the pavement all his life, and that is where Rafiq and five others were born. One sister died at 14. Rafiq went to Saudi Arabia as a driver for seven years, working for Toyota driving empty cars the 1,400 kilometres from Jeddah to the showroom in Riyadh. After seven years he had enough money to buy a flat in Bombay, but within a month since his father fell ill. The flat was sold to pay the medical expenses. Rafiq is now back living on the pavement with his wife and two children.

Parvati came to Bombay, recruited ostensibly as a domestic servant from her village in Uttar Pradesh. Her parents didn't want her to go, but she persuaded them. She was brought to work in a brothel in Kamarpur. She was not treated kindly, but was left to draw the conclusion that she had no choice. Because girls from the villages cannot read or write, they are unable to communicate with their families. That was more than 20 years ago. Parvati has now left the brothel, and she lives on the pavement opposite the houses where she fetches water and does domestic chores for younger women.

Mumtaz also lives on the pavement. She used to live in a hut on the edge of an industrial estate in the north of the city, where her husband worked in a metal factory. Her son killed in a highway accident. She found a cleaning job in two Parsi houses in Colaba, and moved on to the pavement with her children to be near her work. The boys are now 13 and 14. The older one works on a snack stall, the younger has polio. She earns Rs200 (£10) a month.

Stories of the people you meet every day in Bombay confirm that the reasons for coming to the city are complex and tangled. They don't, of course, see themselves as part of vast social and economic shifts taking place in India. For them it is a personal drama, a journey of sadness. Yet the percentages of people living in towns or shanties will rise as India's urban population at present around 15%, rises by the year 2000 to around 35%. Already more than half the people of Bombay live in close-packed huts built of industrial packaging, thin, rags and gummy, while for more than 100,000, their only home is the city's pavements.

The figures remain speculative: no one knows precisely how many people live like this. The Slumdwellers' Federation of India is undertaking, during the UN International Year of Shelter, a census of the slums, whereby the people will enumerate themselves. There are 3,500 slums being covered in 15 major cities, including Calcutta, Bangalore, Delhi, Madras, Ahmedabad and Bangalore. Two representatives from each cluster will ensure that a reasonably accurate count is taken. At the same time they are identifying issues around which all slumdwellers will be able to organise more effectively than before—access to water, ownership of land, security of tenure, police harassment.

Dharavi in Bombay is commonly described as "the largest slum in Asia," estimates of its size varying from 250,000 to 500,000. The federation has identified 57 separate communities, some single chawls with no more than 30 families, others covering several acres of densely-built shanties of rusting tin and zinc divided by narrow alleys along which run rivulets of foul water.

India's slums are bulging but the rural exodus goes on. Jeremy Seabrook reports

Migration to despair



Maria Malchello

The census has a purpose beyond compelling statistics. Very little is known about which districts the city migrants come from and why they come. P. Annamalai is a lawyer who has lived in the Madras slums all his life: "What we plan to do is find out where people come from, then go to those districts and study the problems. Was it drought, landlessness, unemployment? If the places people leave can no longer support them—deforestation or drought or dam-building—then migration must continue, not necessarily to Bombay, but to smaller centres of population in the city, whether there is work for them or not."

Landlessness also sends people to the city. Rural labourers work for Rs2 or Rs5 a day, but when they come to the city they can earn Rs20 (£1) a day as construction coolies. In the city, a man or woman works eight to 10 hours; in the village a day's work may mean 12 hours. And in the transition to the city, the culture changes: caste is submerged, nobody knows who you are, you are not prevented from taking what you want.

Jockin has lived and worked for a Bombay slum community for 20 years. "We are starting with no hypothesis, but are trying to find out, deeply, from the people themselves what has determined their move. There are people in Dharavi from Tamil Nadu who own land in the village, but nonetheless prefer to stay in a Bombay slum. Why is that? Could you imagine anyone staying here by choice? When you look at the circumstances, you find out the government in Tamil Nadu has not given electrical connections in 1976 to small and marginal farmers with five acres or less. So a farmer with five acres of marginal land with no electricity for a water pump can't cultivate his land. He leases it to someone else, comes to the city, makes money to buy more land, to buy a pump, or to bribe an official for an electrical connection. Other small farmers

may have sold their land to bigger farmers, they might be in debt for a wedding or medical expenses, the rich farmers might be selling water at a prohibitive price."

Education is another cause of migration. Most villages have primary education, but with 20-30 per cent of young people wanting to go further, they have to go to the major town in the talukas. Those who want higher education must go to the cities where the colleges are. Over 50 per cent of those who have been to college come to the city, whether there is work for them or not."

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Jockin insists that people are not any less exploited in Bombay, but that it's a different form of exploitation from the village. Bombay is crowded—less than 0.1 ha of open space per 1,000 people (and that includes traffic islands). Air is sulphurous, its traffic frequently immobilised.

"When people started coming to Dharavi 50 years ago, land was 40 paise a square metre; now it's 400 rupees a square metre. This is the hidden purpose of the poor in the

city—to benefit the rich. No wonder they then try to criminalise the poor—say they're lazy and worthless. They want to get their hands on the urban land which the poor have improved and added value to."

There are other myths about migration. The image of the migrant is of a poor family, getting off the train at the cathedral-like fantasy of Victoria Terminus with their tin box and bundle, looking up in wonder at the city lights. The Slumdwellers' Federation points out that the Chief Minister of Maharashtra is also a migrant to Bombay, as are many of the executive holders of the city posts, as well as those with highly-paid jobs in the private sector. The rich want the amenities of the city, but their servants help drive out the poor, whose services they also require—domestic labour, food vendors, drivers and cart-pushers.

P. Annamalai: "Construction contractors go to the villages to collect cheap labour, bring them to Bombay and erect sheds for them on the site. The work lasts three or four years, the building is completed. They workers are then turned out of the compound. They become pavement dwellers. They lean some bamboo poles and a gunny bag against the walls they have built and that's where they live."

Jockin: "The problem of the cities starts in the village. The government is urging us to send them to the villages. What for? The people will see city life,

see people walking on the moon. That can only encourage young people to live in cement houses, have electric fans and refrigerators. The city is for most a place where they survive. In the city at least you eat. In the villages you may beg a meal, water, grains. The beggars of Bombay beg more. They buy and eat. Is that freedom?"

Many early migrants to Bombay came to work in the mills. They sent money back to the villages. Bombay has always been an exodus of young women—encouraged by the 50,000 or so prostitutes who service them. But the majority maintained the dream of going back. And indeed some do return, buy land, build a bigger house. Others find that the village economy has changed, that conditions are different from those they were accustomed to in the city. They often can't take it—the carts feeling communal tension—and after a time they go back to Bombay. Mentally, people are not fitted to return. Something happens to them in the city—they become different people.

● Sunderam is 28. He came with his mother and brother from Mangalore when his father had brain cancer. They lived for six months in the hospital compound, preparing his food and being close to him until his death. His mother went back to cultivate the three acres of land, mainly paddy. Sunderam works in a South Indian vegetarian restaurant, earns Rs200 a month, is lodged and fed in the hotel. He spends nothing on him-

self, and sends Rs300 a month to his mother and sisters.

● Vishnu came to work in the mills of Bombay when he was a young man. He comes from Nasik in northern Maharashtra. He worked in the spinning sheds for 10 years, until the long textile strike of 1982-83, after which he was laid off. His salary had been Rs1,000 a month, but now he is getting Rs600 a month house-clearing. He has sent his family back to the village, where they can live more cheaply.

● Anand came to Bombay to work on the site of the World Trade Centre with others from his village in Orissa. When the centre was finished he lived with his brother's family in Mumbai, but they quarrelled and he left. He is unmarried, a thin, unshaven man in his early forties who looks much older. He says he can sleep anywhere—on the pavement, in the station. He pushes a cart from which he sells fruit in the flock area.

● Suresh was also driven to Bombay by forces that don't figure in the official statistics. The son of an unhappy second marriage, he was badly treated by his half-brothers. From an early age, he says, he knew he was different. It took many years before he could articulate why he felt so estranged, and say that he was gay. He worked in the small town of Kozhikode, saving enough money to come and study in Bombay. Here he has found friends who don't make him feel he is the only person in the world who is gay.

● Ravi is from Thane in Maharashtra. He sold the four acres of family land because of drought. He worked for a few years as a day labourer, but eventually came to the city, where he lived in an established slum with his brother. He works as a taxi driver. He has to pay the owner Rs160 for every 100km on the clock, and he keeps an equivalent sum. He has to buy the petrol and tea to the daily maintenance of the car. His daily wage comes to Rs40. He has five children. His wife is mostly sick, and his unemployed, since lost work after his family while he works, sometimes a 12-hour day. Each day he borrows money to hire a cart and buy produce from the market. The loan is paid back at the end of the day, at 10 per cent interest. The police regularly take Rs5 because, they say, he has no licence.

The diversity of the people and their reasons for coming to Bombay are reflected in the variety within the slums. This is what gives them their vitality and energy: factory workers, clerks, beggars, hawkers and vendors, recyclers of waste materials, servants, peons,rickshaw drivers, barbers, tailors, municipal workers, and manual, embroidery workers and tailors may all be found within the same slums.

"The slumdwellers are the best recyclers in the world," says Jockin. "They will make use of anything—film posters, plastic sheets, bamboo, palm leaves, packing cases. They always start with cheap and fragile materials. Once they feel secure and know it won't be demolished, they'll improve it."

The slums are far from the depressing places they may appear. They seethe with vitality and hope that are absent from the poor inner city areas in the West. Working under abominable conditions are leading to more and more clusters getting organised to resist the harassment from the dadas or slumlords, the corruption of officials and police. But unless the situation in the villages is tackled at the same time as that in the cities as an aspect of the same problem, the very positive energies in the slums could easily turn to violence, strife and communism, recourse to crime, drugs and alcohol.

The Long View

Conjuring that fails to deceive



Currency markets were apparently reassured by the news that the world's central banks are mobilising "unlimited" funds to prop up the ailing dollar, Anthony Harris, however, is not

privately in distant markets. In the long run it sounds as though the central bankers have given up hope about their political masters.

Before I try to decode that sentence, think a moment about what is going on behind all the technical talk. Financial flows reflect spending, saving and

investment. Rich countries with ageing populations still at work tend to save a lot.

The people save before their retirement, and their governments worry about the future burden of pensions and the national debt. Japan and Germany are very much in this position; they have large surpluses that they cannot resist attacking the borrowers who buy their goods and make it possible.

There would still be no problem if the private savers of Japan and Germany were perfectly happy to leave their savings in the US, or the debtor countries of the Third World.

This is almost where we came in; confidence in US securities depends heavily on confidence in the dollar, and confidence in the dollar depends partly on what you think official policy is likely to achieve.

As long as the world—and indeed the Americans themselves—continue to regard the deficit as a problem, they will continue to believe that the dollar is over-valued because the deficit doesn't go away. US trade officials will continue to threaten trade war without even consulting their economic colleagues. Japanese investors will continue to pay ever-more-absurd prices for their own shares because they can't think of anything better to do.

Official intervention is simply an effort by central banks to move the funds in their private citizen's portfolios to the US. Technically, with the aid of the monetary conjuring known as a swap line, it can be made to work, but it cannot solve the real problem.

That can be done only by Government policies which create a trend in the right direction, coupled with clear explanation about how long the full adjustment is likely to take (which might be as much as 20 years), and how foolish and dangerous it would be to hurry excessively.

Central bankers who talk of unlimited intervention seem to have given up hope of these helpful developments. They know more about the governmentality of monetarism than I do.

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MARKETS

A dearth of mirth

THERE HAS been precious little Easter cheer about the past week in the London markets where sentiment has continued to be dominated by the gloomy tone emanating from across the Atlantic.

Tesaco's filing under Chapter 11 of the US bankruptcy code got the week off to a miserable start on Monday. On Tuesday came news of the widening US trade deficit, putting further pressure on the foreign-exchange dollar and fueling speculation about a further rise in US interest rates.

It was hardly surprising, then, that the UK equity indices should continue the steady downward trend of the past three weeks, taking the FTSE 100 index from 4,515.2 on Tuesday closing high of 4,056.2 on Tuesday, March 24, to 3,903.9 last Tuesday.

Since then, there has been something of a rally, helped along by a rather steadier dollar and a batch of domestic news regarded as good by the market—notably, the continuing strong lead by the Tories in the opinion polls. The result was that the FTSE index ended the week at 3,947.4.

To a considerable extent, however, the onward movement seems to have been a technical move, ahead of the long Easter weekend, and analysts are wary of predicting a continuation of the trend next week. Then, as over the past few weeks, the tone is likely to be set by Wall

Street which, unlike London, will be trading on Monday.

And in the view of gloomier analysts, a further round of unsettling foreign news could see the FTSE 100 down well through the 1,900 mark before any bottoming-out, with not that much upside potential from present levels in the short term.

All this uncertainty has come to be good news for gold.

London

with London bullion prices reaching their highest level in dollar terms for around four years—\$443.75 an ounce on Wednesday night. Gold sold again rose sharply on the back of the trend, with Australian stocks recording some remarkable up and down gyrations.

Gilt, too, have been pulled to and fro over the past week, plumbing in line with the US bond market; and the yield on high coupon longs was up at 3.23 by mid-week, well above the 3.8 level it approached in a wave of post-Budget euphoria.

There are, however, analysts arguing that the influences of Wall Street is overdone and that, in the event of a Conservative victory, there could be a marked narrowing of the shares on a prospective p/e

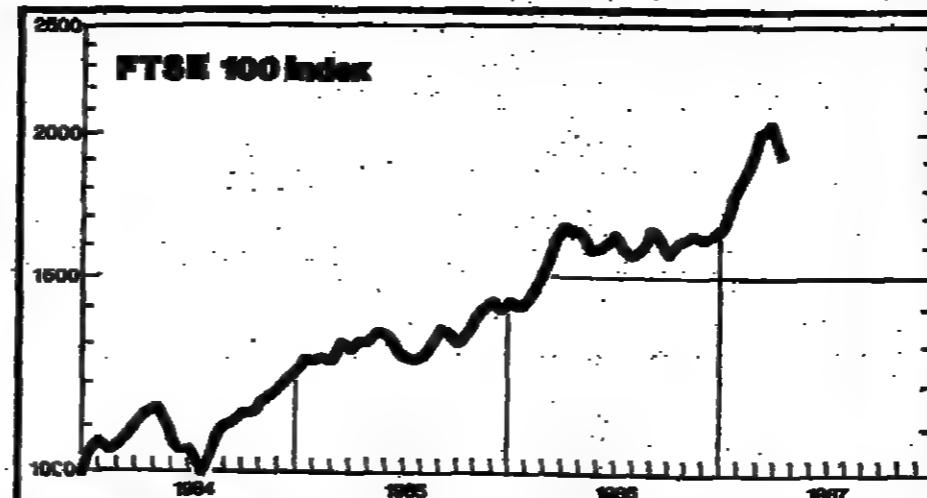
yield gap between UK and US bonds.

But the dangers of factoring excessive optimism into market expectations was underlined this week by the interim figures from GLAXO, the drugs company which has seen its shares soar in the most remarkable manner over the past four months, outperforming the All-Share Index by some 30 per cent on hopes of an exciting new product.

Yet, its good half-year figures, showing a 45 per cent increase in pre-tax profits to \$276m, were rewarded with a sharp and rather churlish fall in the share price. The figures were towards the lower end of market expectations, but this was essentially because optimism had run away as sentiment swung towards the company.

The fundamentals of the business still look very strong. Zantac, Glaxo's leading drug, made further gains in market share during the period whilst Cetadrine, its latest antibiotic, had a very good half-year.

The momentum behind these, together with some of the company's older drugs, promised a powerful profit performance over the next year, plus a further range of new drugs taking up the running of the 1990s. Analysts are now expecting full-year profits of about \$200m, putting the shares on a prospective p/e



of about 21, which is not expensive given the track record.

BLUE CIRCLE, the UK's largest cement manufacturer, saw a sharp rise in its share price (but then a second-day drop back) when it unveiled 1986 pre-tax profits of £17m, up 9 per cent. The market's response was not so much to the headline figure as to the evidence of firm management action to overhaul its UK cement operations and slash its cost base.

The recent abolition of the cement "producers" committee price and marketing agreement—earlier in plain language, a question mark over the stability of the market—but analysts are looking for pre-tax profits of just under £15m from Blue Circle this year—the market seems to be giving an undemanding price.

things going Williams' way.

Meanwhile, **RANK HOBIS HOLDINGS**, the fast-growing mini-conglomerate, took a calculated gamble at the start of the week by declaring that it would not be raising the value of its hostile offer for **NORMACROS**, the building materials and printing group. It is also greatly shortening the length of the bid battle, which will now close on April 20.

There is much to be said for its "sudden death" strategy. Williams' shares have performed strongly since the launch of the bid and the value of its paper offer has been confirmed as the head of the Norwegian group's offer was withdrawn. All share offer was worth 44p and with the Normacros price at 40p—a little way above the 40p-2p a share cash alternative.

Still, at least one food company had a tale of unmitigated good news this uncertain Easter. **CADBURY SCHWEPPES** announced that its seasonal confectionery sales were booming, particularly its little chocolate cream eggs. The news was worth 2p on the share price and an appreciable amount on the national grid.

Martin Dickson

HIGHLIGHTS OF THE WEEK

	Price	Change	Week	1987	1987	
	Thursday	on week	High	Low		
FT Ordinary Index	1,840.3	+16.5	1,825.2	1,820.2	Market rallied after nervous week	
ACM	340	-55	335	245	W. Miners sell 20% stake	
Avis Europe	301	+20	301	226	Satisfactory preliminary figures	
Bearson Clark	276	+45	276	203	Anglo African acquires 16.5% stake	
Blue Circle Inds.	203	+25	226	670	Good annual results and 100% scrip	
BP	878	+30	946	714	EWZ "buy" recommendation	
Cable & Wireless	320	-5	324	323	US/Japan trade war worries	
Guinness	324	+13	444	284	Takeover speculation/figs. There	
Hill Samuel	463	+15	521	308	Holmes & Court stake-holding rumors	
Leigh Propri.	383	+24	400	300	Steady demand	
Land Securities	403	+23	419	336	Revived institutional demand	
MEPC	378	+26	396	326	Revived institutional demand	
McLeod Russell	398	+70	400	328	Planned sale of the firm's to Mondel	
Minet Hedges	329	-10	324	236	PCW settlement terms disappoint	
Pentland Inds.	696	-35	782	470	Reduced stake in Beechuk	
Royal Inds.	888	-49	5104	384	Years of US price war	
Silvermines	103	-8	127	100	Annual loss	
Smiths Inds.	303	+12	361	284	Satisfactory interim results	
Wellcome	443	+46	521	223	Revived Japanese demand	
Yale Caxit	423	+65	426	248	Good annual results	

Third tier's minnows thrive

THE MUCH-MALIGNED Third Market is now almost three months old and it seems timely to see how it has performed for its investors. At first sight the prospects seem ominous: the third tier's progress has been characterized by single two-overs and a dearth of new issues. Yet closer scrutiny reveals a less moribund scenario.

Shugiharu Tsumoto has characterized the Third Market since its earliest days. After the first flurry of enthusiasm, the market was conceived not for mineral exploration companies, like Epsilon, but for entrepreneurial ventures considered too young, small or risky for quotation on the main stock market or the USA. Most of the other companies quoted on the market fall into this category and the progress of these stocks has been much more encouraging.

For such small companies, modest buying or selling has a pronounced effect on the share

stocks on the Third Market that any fluctuations in its share price have an exaggerated effect on the market as a whole.

Epsilon's share price has bounded up and down since the third tier's introduction, opening at 44p, rising as high as 63p, dropping down again to end last week just above the opening price.

The exceptions are **AMERICAN PETROLEUM**, the only other oil exploration stock, which has seen its share slip from 34p to 30p and the Unit Group, a timber pellet producer and the only **Business Expansion Scheme** company on the third tier, its shares rose from 125p to a peak of 185p but have since slumped to 155p.

The star of the Third Market's opening month is undoubtedly **ANGELSCOT**, which has rocketed in value from the original 150p to 380p, rising as high as 475p on route.

Angelscot is an archetypal speculative stock. It is the product of a reverse takeover in early December when Angelscot-Marchant reversed into a company which bore the poetic name of Domes of Silence, but is involved in the more prosaic business of manufacturing fibre-glass gliders.

Angelscot-Marchant, distributor of graphite materials, is a subsidiary of **KEMES LIGHTING**.

price. Yet almost all—seven of the nine—other companies quoted on the Third Market have watched their share prices rise since the new forum's debut.

The exceptions are **AMERICAN PETROLEUM**, the only other oil exploration stock, which has seen its share slip from 34p to 30p and the Unit Group, a timber pellet producer and the only **Business Expansion Scheme** company on the third tier, its shares rose from 125p to a peak of 185p but have since slumped to 155p.

The progress of the other third tier stocks has been less frenetic. The share price of **CORTON BEACH**, an acquisitive holding company, has risen from 30p to 43p; **THEME HOLDINGS**, the restaurateur, from 44p to 50p; **VALLETTA HOLDINGS** from 110p to 135p; and **PUBLISHING HOLDINGS** from 18p to 27p.

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BANK OF SCOTLAND reports on its full year to February on Wednesday and analysts are expecting a continuation of the buoyant growth seen at the interim stage.

The main engine of growth is unlikely to have been the parent bank. On the positive side, the Bank of Scotland does not have any significant exposure to Third World debt, but the Scot-

lands on the main market. Michael Meyer, chairman of Epsilon and the architect of its success, joined the Angelscot board at non-executive chairman. Thus, Angelscot has emerged as a "professional punt" with interest centring on how Meyer will develop it. Investors will receive their first indication later this month when its first set of results is due.

Meanwhile, **EDENBERG INVESTMENTS**, another reverse takeover—that of a property investment company by Bahrain-SHL, which is involved in corporate communications and financial publishing—has seen its share rise from 30p to 38p in a little more than a month on the third tier. **CATALYST COMMUNICATIONS** has added 9p to its share price at 34p.

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Back to the basics

APRIL months of summed **GUINNESS** will have the chance next Thursday, when it announces results for the 15 months to end-December, to have its business grab some of the headlines.

And when Anthony Tumuit, the new chief executive, takes the floor, he will be conscious of a City audience hungry for reasons to re-examine the group on fundamental grounds rather than courtroom reports.

FINANCE & THE FAMILY

Pension shift

NORMAN Fowler, the Social Services Secretary, has for years warned of the need to ensure that life companies and slick salesmen did not use the introduction of new pension schemes as a way to saddle employees with excessive charges. But after taking tough about possible controls, Fowler has finally decided to leave investors protection to market forces.

That was made clear by the long-awaited government policy statement on marketing rules and investor protection relating to the 1986 Social Security Act, released by Fowler late last week. It gives complete investment freedom to employees taking out personal pensions next year, and also allows life companies and financial institutions to charge what expenses they like in costing personal products.

Fowler believes that competition and disclosure of charges required by the Financial Services Act will help to stabilise costs at an acceptable level. But he warned that if this does not happen and there is evidence of abuse, then he would not hesitate to use powers granted in the 1986 Social Security Act to

put details of possible

control charges.

Employees taking out personal pensions will need to examine closely the level of charges values in the first five years against the premiums paid—an indication of the effect of the charges.

Opponents of personal pensions throughout the debate painted lurid pictures of people retiring in retirement because they invested their personal pension savings in speculative investments that went sour.

However, the government document cites the experience of the self-employed who to date invest more than 95 per cent of their pension savings in broadly spread equity or managed funds. It feels that employees taking out personal pensions will be equally cautious over their pension savings.

The document places great faith in the workings of the 1986 Financial Services Act and the need for life salesmen to explain fully the implications of the various funds so that employees can make an informed decision.

In order to do this, employees

will need details of possible



benefits from each type of pension choice—company pension, personal pension, and the State Earnings-Related Pension Scheme (Serps).

Information on a controlled basis is available on company pension benefits and personal pensions. To complete the picture, the Department of Health and Social Security is launching a service to give illustrations on Serps benefits.

Eric Short

Delaying tactics

THE UNDERLYING themes of the financial services legislation have been the protection of investors by ensuring the competence and honesty of the investment provider or salesman and full disclosure of the product in which the investor is putting his money.

On both counts, the life assurance industry has caused more problems for Parliament, civil servants and the Securities and Investments Board (Sib) than all other investment institutions put together.

One such bone of contention has been the disclosure of charges made by life companies on their products.

Life companies have argued against having to show charges, in a similar manner to unit trusts, on the grounds that such figures are both misleading and misleading to the investing public, especially for with-profits contracts.

However, MPs in the Standing Committee discussing the Financial Services Bill were very much in favour of life companies being forced to reveal to investors the charges taken out of life and pension contracts.

Investments made.

The task of sharing out the profits equitably form the insurance policyholders is the task of the actuary.

Thus there is no specific marking of expenses to a particular policy as with unit trusts.

The ABI argues that it is more meaningful to show the effect of expenses on the early surrender values. It supports the proposal that surrender values are shown for the first five years of a contract.

But others, including some marking of expenses to a particular policy as with unit trusts.

Now both sides have the opportunity to demonstrate the validity of their arguments to an independent investigative body.

Gerry Archer hopes that all investigations will be completed by February next year.

E. S.

The perfect Money Purchase plan: £1.75 a month

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FINANCIAL TIMES BUSINESS INFORMATION

Pensions

M A N A G E M E N T

The professional pensions monthly

John Edwards looks at new offshore funds

Choose your risk

OFFSHORE FUNDS have had a lot of their fun for UK investors. In recent months there has been a rash of offshore "umbrella" funds based in tax havens offered by companies with very respectable names.

Having your money in funds based outside the sterling area helps those with a nervous political disposition to sleep well at night, and the ability to switch portfolios without incurring UK capital gains tax obviously has its attractions.

The choice available in offshore "umbrella" funds is another plus. You can choose to put your money either in cash or fixed interest securities, like bonds, into any of the major currencies or into equities.

But which choice is easiest to handle, especially if you are operating in unfamiliar territory? When do you know the right moment to switch from Japanese to European funds? You either have to take a flyer yourself or rely on the advice of the broker handling your investment.

Clerical Medical, therefore, in its first major step to move into the overseas investment market, has used choice of risk as the deciding factor in its offshore fund to be launched shortly.

It will offer three international portfolios — Safeguard, Growth and Enterprise. All you do is decide what kind of risk you want to take.

The Safeguard Fund will go higher risk, with investment solely in equities and spread between large and small companies both in the industrialised world and the developing countries.

All three portfolios will be available through the purchase of shares in a new "umbrella" holding company, called CMI Managed Portfolio Investment.

It is based in Luxembourg but will be managed with investment advice from Clerical Medical, in the Isle of Man, a tax haven that is attracting more business since introducing strict regulations to give it more respectability.

Ironically, as the group's first venture into setting up overseas, the first product being offered is very much geared to the UK investor. Charges will be comparable to UK authorised unit trusts and the fund will have distributor status.

The prospectus states that switching between portfolios will "initially" be free of charge. But Ian Phillips, marketing director, says the inclusion of the word "initially" is for legal reasons only (just in case) and there is no intention of making any charge. There will, therefore, be little incentive for investors to switch funds simply to earn minimum investment in the parent "umbrella" fund of £1,000 and in any one portfolio, £500.

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group's

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R A Henderson, Chairman

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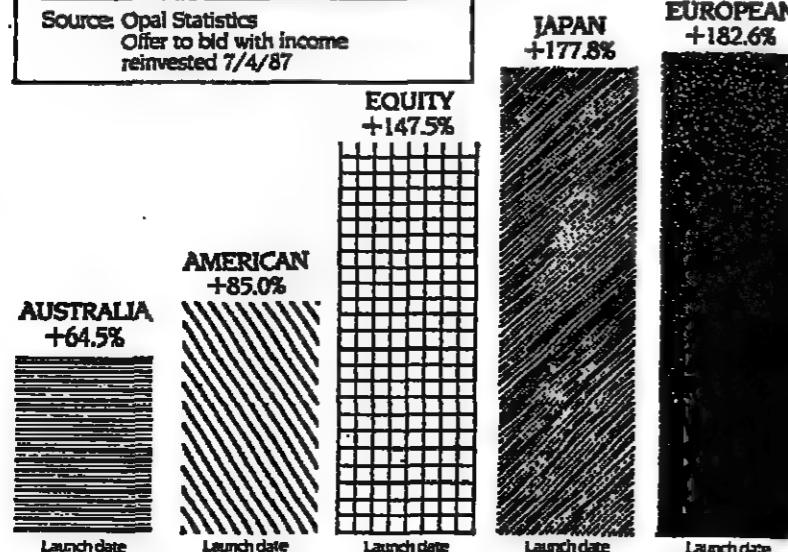
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FINANCE & THE FAMILY

Investor Protection

Lawyers face a Big Bang, too

WOULD YOU trust your solicitor to give you sound financial advice? That is one of the problems facing the legal profession which is engaged in writing a report that could radically alter the way it operates.

A committee, chaired by Lady Marie, which has already been looking at many aspects of the legal profession, is due to report back to the Bar and the Law Society in the summer of 1988.

There was a time when the profession would have bitterly opposed any attempt to reorganise its structure. But times have changed. Today many solicitors are being forced to explore new avenues for generating income because of the squeeze on conveyancing profit margins—the life blood of many practices.

However, protectionism is imprisoning solicitors in an ivory tower, preventing them competing effectively with rivals in the fast expanding world of financial services which itself is being revolutionised by the Financial Services Act.

Solicitors are particularly concerned about competition from licensed conveyancers, who arrive on the scene later this year. If estate agents employ licensed conveyancers, the legal profession will be squeezed out of the house purchase process completely.

Thompson said: "Graham Kenyon explains: "I would say in real terms income from conveyancing has halved over the last 10 years. A decade ago we would have earned 1.5 per cent of valuation as a fee. Now we earn 0.75 per cent—if we are lucky."

Macfarlanes' partner John Rhodes adds: "Ten years ago it would have been unthinkable for someone to ask what you would charge before carrying out the work. Now we are estimates, and they are likely to be more competitive than they would have been."

Commercial law and debt collecting, which can be a profitable business with the aid of computers, offer increasing opportunities for solicitors. However, personal financial planning is seen as the natural extension of a provincial practice.

Rhodes comments: "Most families will have a group of professionals able to look after their affairs. But there has to be a leader in that group, the one to whom any member of the family would turn first before making any major decision. We believe the solicitor is in the perfect position to fill that role."

Other solicitors go further.

They believe a time will come when a solicitor will form partnerships with accountants, stockbrokers, estate agents and insurance brokers to offer a range of independent financial advice under one roof.

Kenyon argues: "We are in a good position to offer complete, independent advice. The banks, estate agents are fast becoming parts of large chains, and they must follow centralised directives. Solicitors would be completely independent."

Solicitors already offer limited financial advice, and will intro-

duce clients to the microscope of Lady Marie's committee.

Solicitor John Drake, Stevens Drake & Pope, will be one of many to celebrate if the committee recommends changes.

He set up Crawley Solicitors

Property Centre two years ago,

which is run by seven firms of

solicitors. It employs an estate

agent and mortgage broker, and

for a 2 per cent overall charge

arranges a unitary property

transfer package, with the

seven firms of solicitors con-

cerned the conveyancing.

Drake says: "With the threat

of the licensed conveyancers

sufficiently conversant with the High Court and the House of Lords.

Solicitors wishing to give financial advice will have to be authorised to do so by a Recognised Professional Body (RPB) under the terms of the Financial Services Act.

Scottish Amicable's general manager Maurice Paterson is not so critical. He says: "If someone is involved regularly in house purchase or pension work they should certainly work their staff."

If solicitors have to become authorised, it would be logical for them to exploit the largely unexploited commercial opportunities offered by this expanding field.

Whilst not exactly popular with the public, solicitors are at least respected and by and large trusted. Their complaints and compensation provisions are tried and tested. All solicitors must hold professional indemnity insurance to cover them against complaints of negligence up to £100,000 and a compensation fund exists to provide unlimited cover in the event of solicitors striking off.

To pursue a claim, a complainant should first make a complaint to the Complaints Bureau which can negotiate a solution to the client right, reduce fees for unsatisfactory work, or press a prosecution against the solicitor at the Disciplinary Tribunal. This is an autonomous statutory body set up under the 1974 Solicitors Act, which can fine solicitors or strike them off.

If the Complainants Bureau decides not to prosecute, there is recourse to an ombudsman, who can instruct the bureau to reconsider the case. Alternatively, the client may press a prosecution himself in the Disciplinary Tribunal or the High Court—but this would be costly. Appeals in any event can

be made to the High Court and the House of Lords.

Charles Major of the Law Society explains: "Investment management is an integral part of most other businesses. The definition of investment management is drawn so widely under the Act, it would be difficult for solicitors not to step inadvertently over the border when carrying out their normal duties as a legal executive."

So if you are looking for a financial adviser, remember at present your solicitor cannot make a profit on selling your house. He is not motivated by commission because he must defend it to you. And you are protected against his negligence, fraud and insolvency—but does he know anything about finance?

With the imminent prospect of a General Election, any changes at Westminster could seriously affect the City.

IF PARLIAMENT WERE HUNG, WHY SWING FROM THE SAME ROPE?

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Art of doing nothing

Investors' Tales

The golden rule of investing in shares is not to buy only for the sake of buying, asserts Kevin Goldstein-Jackson

IN early 1973 I had accumulated, for the first time, enough money to be able to afford to risk £1,000 on the stock market.

However, I did not risk that £1,000. I felt that the market was rather high and my share purchase would have to be carefully followed so that if there was a sudden downturn in the market it would be possible to make an immediate sale. As I was then about to leave the UK to work in Hong Kong, such close attention to the UK market could have been difficult. So I did not invest. I therefore missed "the crash of '73," when many blue chip and other shares halved in value—and some went down by 75 per cent or more.

This taught me the importance of doing nothing: there was no point in buying shares just because I had some money available to buy them. Equally important was whether or not I had the time available to choose the right shares and to carefully monitor these.

Investing on the stock market in 1973 was rather like sitting in a ship on the crest of a colossal wave that might have got a bit higher just before it crashed down, perhaps wrecking the ship, is the process. Knowing exactly when to jump before the rats was all important. When the ship started to sink and most of the rats who had jumped had disappeared from sight, some people sat on the beach waiting for the wreckage to be washed ashore and a number of them were able to pick up fantastic bargains. I had decided it was safer not to board the ship in the first place. Had I been in the UK at that time I too would probably have been a share beachcomber.

This year might prove somewhat similar to 1973-74, so a few weeks ago I sold some of my shares just in case there is a sudden and prolonged downturn in the market. I will then have funds available, in the hope of



picking up a few bargains once the market has started to stabilise on a more long-term basis.

Even in calmer times it often pays to invest in a number of different funds and a number of pension funds. Many other institutions are always buying and selling shares—reallocating their portfolios. Indeed, many institutional portfolios have annual turnover rates of 50 per cent or more and some change their entire portfolios more than twice a year.

For a private investor this is not a good idea because of the time and effort involved in monitoring the market and the costs involved.

On a number of occasions I have become bored with a share that has stubbornly refused to move much in price while all around it other shares are moving upwards. But frequently patience is rewarded. My NMC Investments shares did not move much in price for about five years after I had bought them for 125p each—and then they rocketed to over 180p. Well worth the wait.

To help me remember this I have recently bought a fairly large sculpture by the young artist Michael Rodda. The sculpture is titled "The Importance Of Doing Nothing". I hope that if I do nothing with it for 55 years it too will increase in value, similar to Van Gogh's "Sunflowers" which cost about \$2,000 in 1884 and recently sold for \$24,750,000. Personally, I prefer looking at a Rodda sculpture to a painting by Van Gogh. Even better, I would enjoy looking at a pile of genuine banknotes totalling £27.75m.

On the other hand, I bought shares in Manganese Bronze for 25p each in 1981 for much the same reason as I had bought NMC shares: the hope that a take-over might occur. However, I sold the Manganese Bronze shares at a small loss in 1982 because I was bored by the lack of movement in the share price. Recently, the shares reached 180p.

Of course, not everything increases in value over the years but I have tried to remember before selling a share to ask myself just why I am selling it. Is it because there has been a change in the nature of the company since I bought the shares, such as a sharp reduction in profits or the lack of any take-over potential? Is any general downturn in the market likely to drag those shares down too? Are there really any better investment opportunities available? Or am I simply bored with the shares and want something else that might move more quickly? If it is the latter, then I will never regret it and it reassures the shares and perhaps retain them (or at least part of my shareholding) in the hope that my original reason for their purchase will be proved correct and they will produce significant long-term gains.

Thus, not selling fundamentally sound shares just because of boredom and not investing in a steeply declining market demonstrate some of the benefits of "doing nothing."

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• FINANCE & THE FAMILY •

On the record

Recently, my bank did not credit my account with a sum of money that I paid in at my branch. The manager then wrote to me, drawing my attention to an overdraft which he said I had incurred. I found the error, wrote to the manager accordingly and he wrote back apologising and saying that the matter had been adjusted. However, when I received my next statement I found that the error had only been corrected from the date I told him of it, leaving my account erroneously overdrawn for several days. I wrote to the manager again asking for this to be corrected in accordance with the actual date of the paying-in transaction they erred on, so that the statement would be a true and fair record of my account. The branch replied offering to send me a retyped version of my statement if I return it but saying that the bank's own record cannot be altered. I am concerned that the bank's permanent record will now show me with an overdraft that I never incurred. Also, who knows how many years it can take this right to be referred to, to my disadvantage. What can I do?

While it is unlikely that the erroneous notation on your account would involve you in any disadvantage, there is no reason why you should not insist that the bank's own record should have a note added to it stating that the apparent overdrawning is shown by reason of an error of the bank's in posting your account.

Mortgages' twin perils

I am an employee of an insurance company and like many employers in the financial services sector it offers its own mortgage facility. The maximum borrowing permitted is well below that normally available through a bank or building society and subsequently I have a first mortgage from my employer for £25,000 and a second mortgage of £45,200 by way of a second charge on the property, from a bank. My tax office have agreed to average the total interest payments for mortgage relief purposes because the two mortgages were simultaneously effected for the purchase of my sole residence. Some of my colleagues however have been refused tax relief on this basis with relief restricted to the first mortgage, which at reduced rates of interest significantly reduces the tax relief available. Who is correct?

Your tax office is complying with the law, because the two loans were made simultaneously. Paragraph 5(d) (b) of schedule 1 to the Finance Act 1974 says that "where interest is payable on more than one loan . . . and the loans were made simultaneously, it shall be treated as payable on one loan": so it all depends upon

whether your colleagues' twin loans were made simultaneously or consecutively. If they were made consecutively, the tax inspectors are right in ignoring the rate of interest charged on the second mortgage. A free explanatory booklet on the tax treatment of interest paid, IAH (1985), is obtainable from tax offices.

Vested interest

Have I lost possession of the ownership of a house left to my late husband by his wife, owing to my neglect?

She died in 1963 leaving her only possession a four-bed roomed house in Southbourne, Bournemouth, between four people—her two sons, a daughter and a grand-daughter. At that time it was valued at £1,100, and had a private mortgage of £900 at 4 per cent. As the grand-daughter had been living in the house for some time she was left undivided. My husband and I took no share in any responsibility, but when he died in 1973 I included it in probate—his estate was very small and I paid very little.

I live in a privately owned rented flat and own my property. I am 82 years old now and my husband's niece is 75, and in my will I have left the quarter share of the house to her. I have not visited the flat for 25-30 years, nor did my husband and I ever contribute to the upkeep, and should the niece die before me and the house be sold would I have any claim on a share of the proceeds?

You should not have lost your interest in the house i.e. as executors or general legatee of your late husband. You may need to execute an asset vesting the quarter share in the house in yourself beneficially. It would be wise to consult a solicitor if you have any doubts how this should be done. You can inform the nieces that the share formerly held by your husband is now vested in you and that you will expect the trustees to account to you for that share on any sale.

We suggest that you write, giving a full history of your attempts at communication with the loss adjusters, to the Insurance Ombudsman, Alderman House, Queen Street, London EC4N 1TT.

Trust fund saves pain

On my husband's death I inherited our house, now worth about £250,000, contents about £20,000 and portfolio £120,000. I am anxious to pass this money on to my daughters, both now at tertiary education, 19 and 22, at my death. Should I remarry and die before the new husband, would he be legally entitled to any of my first husband's estate?

Your tax office is complying with the law, because the two loans were made simultaneously. Paragraph 5(d) (b) of schedule 1 to the Finance Act 1974 says that "where interest is payable on more than one loan . . . and the loans were made simultaneously, it shall be treated as payable on one loan": so it all depends upon



All legal responsibility for the answers given in these columns is accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

the date of the V.O.'s proposal viz August 13 1985 and not April 1 1985. Thames Water argue that "until two years ago the Authority described its charges as Water Rates" but I do not find this comment relevant. To whom may I appeal for a correct interpretation, please?

The Water Authority is entitled to recover a charge for the full rating period in which the proposal was made i.e. the entitlement of the Water Authority to back-date the charge when the ratable value was determined in August 1985 was the same as that of the local authority in respect of the general rate.

For reference, there is a special TSB publication listing 20,000 holiday jobs in Britain and overseas. And to keep customer loyalty the bank says it will offer preferential treatment for a TSB mortgage, provided savings are made regularly.

Many youngsters do not understand the commitments involved in taking a bank loan.

Eighteen-year-olds are

LAST YEAR, school-leavers rated TSB England & Wales the top young people's bank.

This year, the bank intends to try to increase its share of the youth market. In 1986, some 21 per cent of all 16 to 20-year-olds banked with TSB, almost double the number in 1984. Of those who left school in 1986 and found full-time employment as well as opening a current account, a third chose to bank with TSB.

The package the bank is offering young customers includes a glossy magazine featuring careers and financial advice, pop music news and pictures. Other attractions are free banking (while in credit), a Speedbank card and, for those with a cheque account, discounts on Virgin records, and Hitachi and Yamaha music products from audio cassettes to electronic organs.

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Eighteen-year-olds are

Prolonging the agony

My flat has been broken into and my belongings, including my jewellery, stolen. I am insured and the loss adjusters are in touch with me very shortly after the burglary. I still cannot get anywhere with them. After over half a year they still keep investigating and now they even don't answer my letters. What should I do?

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If you were to remarry your husband would be able to make a claim on your estate (including what you have inherited from your deceased husband) if he survives you. It may, in my view, be better to affect a gift of at least part of your inheritance during your lifetime — possibly by setting up a trust for your daughters and their issues — and you would be well advised to consult a solicitor with a view to obtaining full advice on whether to make inter vivos gifts and on redrafting your will. Remember that a will executed before you remarry may be revoked by the marriage.

While the TSB's efforts to

increase its customer base must

be good news for shareholders,

the TSB and the other banks

making similar efforts to

obtain more young customers,

which perhaps have become over-

enthusiastic in this field.

John Warner, the TSB's market planning manager, says

young people no longer follow their parents' banking loyalties and prefer to make their own decisions. The youngsters may indeed be more independent in their choice of bank but are they any wiser in looking after their money?

Apparently not—for example,

according to Warner, at least one-third of TSB's student customers are overdrawn at the end of term. Yet he claims that the bad debts in this sector are no worse than in any other; in fact, they are slightly better.

Many youngsters do not

understand the commitments

involved in taking a bank loan.

Eighteen-year-olds are

eligible for credit cards, bank

loans, and hire purchase com-

mitments, even mortgages. The

lender usually makes inquiries

to ensure that the borrower is

able to sustain the loan, but in

their eagerness to woo young

customers the banks often seem

to be less than prudent.

To give one example. An

average carpenter (average

weekly take-home pay about £50

—less than half of most of his

peers group working in shops

and offices) and living in a

village where public transport

is minimal, decided he needed

a car.

As soon as he was 18 he

visited his kindly neighbour

hood bank, which had already

been a student account for

him when he was on youth

training scheme.

The bank gave him a loan

application form, which he

completed and gave to his

mother to take to the bank. She

did so, with a note to the bank

not to grant the loan.

After an interval lasting all

10 minutes, a £700 loan was

agreed, to be repaid in a year

at 5% a month.

To make matters worse, since

the first youth is now over 18,

the bank has notified him that

he is qualified for a Visa card,

providing yet another opportu-

nity to get into debt.

The banks say they make all

reasonable inquiries, but that

the final decision is made by

the branch manager who

assesses the ability to repay.

At the very least a manager

should insist on a record of

regular saving, coupled with

production of a realistic weekly

budget. A stern reprimand

from the bank when an un-

authorised overdraft occurs

might reduce parents' worries.

Although the parents are not

legally responsible for debts

incurred by children over 18,

few are tough enough to bear

the social stigma of a bank-

ruptcy case involving their

offspring.

over £250 plus a loan from his father, who has now refused to provide more cash.

But why should parents have to worry about their children's repayments? Perhaps it would serve the bank right if the boys went bankrupt and offered to pay at 50p a week; after all, they have no personal assets.

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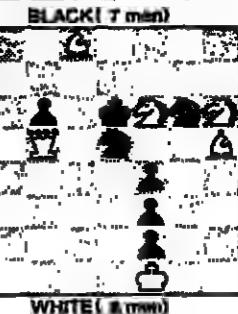
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offspring.



3 P-Q4; P-Q4; 2 P-QB4, P-K3
3 K-R3; N-K3; 4 N-B3; P-K3
4 P-K4; 5 B-N5; 6 P-B4; 7 R-N3
7 Q-K2; 8 R-B4; P-B4; 9 P-K3; Q-K2;
10 O-O; 11 P-P; 12 R-Q1; 13
N-K4; 14 Q-Q2?
Black should defend his king
by N-Q2; 15 Q-Q2; 16 N-N3!
Q-K1; 17 B-B3; 18 Q-KR2; 19
Q-B3; 20 Q-KR4; 21 N-N2; 22 N-B3;
23 N-B3; 24 Q-K3; K-B2; 25 R-Q1;
Q-K2; 26 Q-R3 ch; K-N1; 27
Q-NP. Resigns.

PROBLEM No. 667

White mates in two moves,
against any defence (by V.

Chaplin, 1st prize USSR
1985).

• TRAVEL •

Andrew Whitley reports from a Jerusalem packed for Easter

Pilgrims' progress

HOSANNAH, hosannah, they cried in unison. First in Arabic, then guttural German, then in some Spanish, the chanting procession of pilgrims wound its way down the steep Mount of Olives towards Gethsemane. Across the ancient valley the golden Dome of the Rock, flushed in the warm afternoon sunlight.

Palm branch grasped firmly in one hand, hymn book in the other, they passed in their thousands, retracing Christ's entry into Jerusalem nearly two millennia ago. Perspiring American matrons, their peaked "Shalom" sun hats all askew, gave way to straggly-bearded Greek Orthodox priests in long black frock coat and Filippine Catholic nuns, demure in brown habits. In the steps of the clerics came a contingent of fresh-faced Irish girls, singing their hearts out.

High on the battlements of the massive walls built by Suleiman the Magnificent around the Old City, silhouetted against the sky, an Israeli soldier in olive green kept watchful guard as the mile-long procession snaked its way through St. Stephen's Gate.

This Easter, Jerusalem is once again packed to bursting point, not a bed to be had. For once in three years religious holidays—the seven-day Jewish Passover and the two Christian Easters—have coincided. But part of the explanation also lies in a resurgence of confidence on the part of travellers that they will personally come to no harm in the often troubled Holy Land.

Simple Greek peasant families, carrying their own cooking utensils, are lodging in private homes. A rare group of 450 Ethiopian pilgrims who have marched in scrounged places to stay in religious houses. And over at the Vatican-affiliated Terra Sancta Tourist Company, Tony Nazzal was pleading on the telephone with a hotelier for another 10 rooms, for a big group due in from Vienna that day.

The woes of the recent past have diminished. The contagious fear of violence—an ever-present shadow—which prompted the cancellation of hundreds of pilgrims' tours last year, has shrunk again.

Christian pilgrimage to Palestine has always been important to the local economy. Indeed these days in certain, mainly Arab, pockets of the land it has become an essential life-blood.

The chroniclers of the past tell much the same story. The monasteries and hospices which according to St. Jerome were built on the orders of Paula, a wealthy Roman pilgrim of Byzantine times, were apparently a much-needed shot-in-the-arm for fourth century Palestine. So, too, were the charitable foundations established by Empress Helena, the mother of Constantine.

Though one sceptical historian complains that these philanthropic institutions created a parasitic, suproductive society, such complaints would not be heard today in Bethlehem, where

a badly needed, 220-bed hospice for religious groups has just opened its doors.

Nor is there much doubt about the economic impact in the nineteenth century of the complex of buildings Tsarist Russia put up just outside the walls of the Old City. Established between the 1860's and 1890's, for the benefit of the Russian pilgrims, then increasing in considerable numbers, the compound helped spawn the development of Jerusalem's modern business centre. To meet the travellers' needs, Jewish entrepreneurs set up shop along a new highway, Jaffa Road, very near the Russian hospices, creating what remains the city's main commercial artery.

While all three are still functioning today (Notre Dame has been bought back from a Jewish trust fund in 1974 to whom it had been sold for a pittance by its impoverished monks) the gracious American Colony Hotel no longer caters specifically to pilgrims. This former Pasha's palace has instead become an oasis for a different breed of truth-seekers: foreign journalists attempting to keep up with the Middle East's endemic bloodletting.

In contrast, the bullet-pockmarked Notre Dame Hospice, located on the old front line between the Jewish and Arab sectors of the divided city, remains one of the most important pilgrim centres in the Holy Land.

A century after founding of these and other Christian centres—in Bethlehem, Nazareth and around the Sea of Galilee—the pilgrimage industry is now unquestionably Big Business.

At the Religious Affairs Ministry in Jerusalem, Daniel Rosling, Director of the Christian Communities Department, said that while it was difficult today to speak of "pure" pilgrims, about 150,000 of the 1m tourists Israel estimates it receives each year come primarily on pilgrimage. A further 200,000, he guessed, probably mix pilgrimage with general tourism.

These numbers are contested by the Palestinian family-owned travel agencies who have clung to a lion's share of the business since 1967 on the strength of their traditional links with foreign Christian communities. According to the Terra Sancta Managing Director of the Terra Sancta Tourist Company, 80 per cent of visiting Christians in the Holy Land are tourists, making a total of nearly half a million. This year his company, one of the largest of the 33 licensed travel agencies in Arab East Jerusalem, will have brought some 7,000 Easter pilgrims to the Holy Land, compared with less than 3,000 last year.

Whatever the exact numbers, estimates of how much revenue is being generated vary enormously. But in a good year, and 1987 shows every sign of being one, the annual turnover from travellers to touch the £100m mark while Jesus walked and died could easily exceed £500m in Israel and the West Bank. This is three times the hard currency the region earns from its well-known citrus exports.

Not that all is sweetness and light in the pilgrimage business these days. The contemporary Arab/Israeli dispute has added a minefield of problems and conflicts of interest. Many stem directly from the fact that most important pilgrimage sites, such as those in Jerusalem, Hebron and Bethlehem—not to mention

energies of the Russians, German Catholics established a hospice and a college in front of the Damascus Gate; the French Assumption Fathers founded the monumental Notre Dame de France pilgrim centre further up the road, and an American missionary family, the Spaffords, together with Swedish Protestants, laid the groundwork for the American Colony.

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The annual turnover from travellers moved to touch the places where Jesus walked and died could exceed \$500m

Crusades and the Latin Kingdom between the twelfth and fourteenth centuries. Conditions in Jerusalem were unhygienic and primitive, as the popular English painter David Roberts noted.

Reaching the Holy Land was an arduous and lengthy undertaking, as John Wilkinson recounts in his scholarly account, "Jerusalem Pilgrims Before the Crusades". A certain pilgrim from Piacenza, for example, took a leisurely seven and a half months over his journey there and back, a far cry from today's jumbo-loads of travellers disgorging at Tel Aviv and Amman airports. From there the main obstacle to reaching Jerusalem is the bridge across the Jordan River if the Israeli authorities are in a contrary mood.

In addition to the remarkable increase in the practical possibility of travelling to Jerusalem, the 1980's saw an explosion of new construction outside the confining walls of the city. Scrabbling over each other to match the

tion disputed Jerusalem — are located in former Jordanian territories under Israeli military occupation for the past 20 years. The hundreds of pilgrims who made their way to the Jordan River last November to commemorate the baptism of Jesus, had to scramble past rolls of barbed wire and dodge heavily armed Israeli soldiers on guard.

Disenchantment with heavy-handed security undoubtedly has a negative commercial impact. The Intercontinental Hotel on the Mount of Olives, which caters to the well-heeled American tourists of the pilgrim trade, made a recent call-off of Christian bookings because of its customers' discomfort over the tight security measures imposed by the Israeli army on worshippers crowding into Bethlehem's Manger Square.

Nor are the 20 black American Christians who were turned back at the Allenby Bridge last week by Israeli authorities as they attempted to cross from Jordan into the West Bank, likely to return in the near future.

With Jordan competing through lower airfares to bring European and North American travellers to the Holy Land via Amman, Israel's insensitivity does not accord well with its official commitment to promoting pilgrimage and maintaining holy places.

One distinct advantage the East Jerusalem travel operators possess over their financially stronger Israeli competitors is that they themselves are usually Christian, and therefore more attuned to the needs of the pilgrims. But they are fighting a rearguard action against a two-pronged onslaught from both their

religious rivals. While Muslim-owned companies, particularly from Lebanon, are taking over the coach hire side of the business, Jewish-owned hotels are nowadays responsible for much of the pilgrims' accommodation.

Starved of investment for the past 20 years, the dilapidated Arab side of the city no longer has either the number of rooms or the quality of accommodation today's more demanding pilgrim wants. As a result, many Christian groups coming to the Holy Land nowadays and themselves lodged on the western, Jewish side of the city. Here they may cause upset to a wizened Father Jerome Murphy-O'Connor (a Dominican priest who has led many pilgrim tours) considered to be an Israeli propagandist smarmy.

Keen to "sell" modern Israel rather than Palestine, nationalist-minded Israeli guides will frequently arrange for unsuspecting church-affiliated groups to visit sites such as the Yad Vashem memorial to the Jews who died in the Nazi Holocaust and the Israel Museum. According to Father Jerome, such visits are a welcome guide to the Holy Land for the western, Jewish side of the city. Here they may cause upset to a wizened Father Jerome Murphy-O'Connor (a Dominican priest who has led many pilgrim tours) considered to be an Israeli propagandist smarmy.

The problem of insufficient guides sufficiently versed in both Christianity and archaeology to meet the needs of a devout church group is, however, nothing new. The accounts of early pilgrims frequently refer to being escorted by uninformed local Jews. However, almost all agree that since 1967 the Israeli

Government has greatly exacerbated the situation by actively discriminating against local Christian Arabs applying to enter the all-important official guide school. Today, there are only about 80 licensed Arab guides, compared with over 3,000 Jewish Israelis.

Unlike St Jerome or the ninth century Roman monk, Bernard, who spent four-and-a-half months in the Holy Land, the average modern pilgrim's stay is getting shorter and shorter. Ten days is typical, and three weeks is usually the maximum. In addition, the circuit he or, more likely, the follower has been accessible by a 45-seater coach.

So, whereas only 100 years ago the pilgrim making his way on foot from Jerusalem to Hebron, a day's journey, would think nothing of a diversion across a few fields to visit a particular saint's relic, today the air-conditioned coach will roar past the site in a cloud of dust and passing regret.

The era of the individual pilgrim, making a journey of a lifetime, often accompanied by considerable privation and danger, would seem to be at an end. But is it?

Those Greek and Cypriot families wandering the Old City this past week selling home-made brandy and pressed cheeses to help pay their way, differ little as pilgrims from their great grandparents. And what about those Ethiopian Copts who took their savings from under the mattress and managed to leave a poor, Marxist-run country on a long journey by road and riverboat to come to Jerusalem for Easter?

William Glenton looks at ways to cut cruise costs

Sail away for a week and a day

THERE WAS a time when you stepped aboard your cruise ship knowing full well that, at your next end, you would be back where you began. Today the choice of the cruise passenger is at a port hundreds of miles away—probably in a different country and another sea. Thousands of passengers this year will join or leave their ships half-way through their full cruise, having flown at least one way—if not both—in order to get to and from her.

Over the years, as cruising from Britain has diminished we have grown accustomed to fly-cruising, but the newest developments mark a major change in the style of cruising itself.

Organised "cruising" never matched the dictionary definition — to "voyage without fixed destination" — but it has almost always meant a round trip. Now, as lines struggle to compete with package tours, a growing number see more profit in offering what can be called part-or-break-off cruises.

It has become essential to fill almost all a ship's berths. But achieving this with 14-day passengers is often impossible. As a result, the cruise lines see the solution in weeding those willing to cruise just half way.

By this method they hope to win back some of the many Britons who have turned from cruising because of rising fares. Since the boom days of the 1970s, numbers have fallen from 250,000 to under 70,000.

At the same time, fares for middle grade two-bed cabins have jumped from under £50 a day average to over £100, with the price charged in many ships around £150. In top-quality vessels you can now pay between £200 and £300 a day.

One answer to achieving more acceptable overall fares has been to introduce many more week-long voyages, but there

are limitations to this and lines find it more practical to do so in specific areas like the Caribbean, where the shorter cruise is now more common.

This year sees the introduction of many part-way cruises in the Mediterranean to the Canaries and the Maldives. Passengers can, for example, fly to Geneva to join a ship and fly back from Venice or Athens, or vice versa, taking the first or last part of the whole.

Among the new deals is that of Fred Olsen, which, in introducing its much modernised and improved Black Prince, 10,000 gross tons, to Mediterranean-based cruising, is selling seven-day one-way trips between Venice and Izmir, Turkey, or in the reverse direction. A full round-trip costs £1,043 for a mid-week cabin while one week for one person costs £559 (flights included).

P & O, in its various guises, is strongly marketing similar cruises. Its offshoot, Canberra Cruises, has over two dozen different part-trips on the 25-year-old newly-refurbished veteran, the 44,207-ton Canberra. She is now almost the only big ship left sailing from Southampton, but many of her passengers will end or begin their cruises in a wide range of ports from the Canaries to the Aegean.

The price of a middle range two-bed cabin for a week aboard her, plus one night in a hotel and the one-way flight, will be £1,030 per head, while a full 14-day round-trip voyage costs £1,580.

P & O's main cruise arm, Princess Voyages, has come up with an extended version of one-way trips—in fact a continuous series of them. Between mid-August and end-October, its 20,636-ton Pacific Princess wanders from one end of the Mediterranean to the other,

taking in the Adriatic, Aegean and Black seas. Either on St. Lucia or Barbados, a basic package costs £1,240 (travel outside cabin) also includes three days in a hotel—but £1,065 more than for the week-long cruise only. Optional extra days are possible.

The same company is one of several that now run part-time cruise resorters by sailing between Florida and island ports through the Panama Canal to Mexico or on to California. It is the 17,492-ton Cunard Princess—sister to the Countess that cruises to St. Lucia/Barbados—you can stop in Acapulco.

Normally the resort part comes at the start or end of the cruise, but with the Greek line Chandris it comes in the middle. After sailing from Venetian on one of the summer-autumn cruises you can go ashore for a week in Corfu, Athens, Crete or Rhodes before rejoining the 10,280-ton Roma on the return leg of her trip.

This former sheik's yacht, recently modernised, is just two years short of her 50th birth day, which might explain why she is now one of the cheaper ships to sail in at £280 a day (mid-grade cabin). The week before adds £200 to £300 according to resort and hotel.

Even the Russians, who once

understand everybody, now charge £1,550 a day for average cabin on CTC Line trips between Tilbury and within the Mediterranean.

The Red Flag ships make round-trips only. If you prefer to stick to these and want more luxury as well as a fresh sense of variety, try a brand new ship entering service this year, the 21,000-ton Astor. Eleven of her 20 cruises in 1987 will be round trips from Britain to the Canaries and back here.

In a wide-ranging programme, she cruises from Canada and Greenland to the Mediterranean and East Africa.

With a maximum of 650 passengers—fewer than ships of her size usually carry—she is just what many better-off Britons seeking first-class traditional cruising have been waiting for. Her mid-grade fare of £1,755 a day reflects her standards. That is what you would also pay on average on one of the short cruises the Queen Elizabeth II makes from Southampton to Atlantic ports but less than the £200 a day in Cunard's 24,252-ton VistaJord, crisscrossing the Baltic and Mediterranean. For really top fares try the Royal Viking Line ships at £300 a day around Europe and the world.

If big ships—like big fares—do not appeal, your choice might

lean towards a recently-introduced small ship from Cunard between the 7,000-ton Ocean Islander, of Ocean Cruise Lines, for cruising the Baltic. This averages around £135 a day. The company has another not-so-big ship, Ocean Princess (12,212 tons), that cruises an off-beat route between Philadelphia and Montreal, taking in New England in the summer.

Another bonus is that Taunton the privately-owned Castle Hotel, which has been upgraded, since 1978, from three-star to four-star, and which specialises in one-night stays.

At the latest count, the Castle had four AA red stars for accommodation and an AA rosette for food; an Egon Ronay star for food; and a Michelin star for cooking—one of only a few hotel restaurants outside London with such a star. In addition, The Good Food Guide 1987 gives the Castle a César Award for "best town hotel," believing that "this celebrated old hotelry, guided by the energetic and enterprising Chapman family, continues to set an example to other town hotels, as much in its kitchen as in its standards of service and accommodation."

I am not a foodie but I know

what you mean by "good food." Ten years ago, these people didn't exist. To ward off indigestion you can potter outside on Castle Green or in the Norman garden, for the hotel is part of the site of Taunton Castle.

There is mystery all about. In the Norman garden on a recent Sunday I saw flecks of blood on a bank of spring flowers and the ground looked as though I held a dowsing rod.

I saw a goblin by the well. The Chapman family is at Castle Green, Taunton, Somerset TA1 1NF. Telephone 0823-72571. There are 35 rooms, including five suites. Prices range from £44/£53 (single) to £73/£99 (double or twin) to £135/£225 (suites), inclusive of VAT. There are special weekend deals and mid-week breaks.

Michael Thompson-Noel



Goblin dinner

WHY IS it that the West Country—Cornwall, Devon and Somerset—seems to have stronger links with the past than other regions of

Roger Beard discusses the best ways to rent a car on the Continent

LAST SUMMER the engine fell out of our hired Fiat Panda. Coming down a vertiginous Sicilian hill, the engine bracket sheared and it was gearless and all but broken. This is just one example of the hazards of holiday hire, made the more difficult by the car firm's nearest office being 60 miles away, back at the airport.

Yet that car fitted all the accepted guidelines of holiday car hire—a sturdy model, booked in the UK before travel, and from an Italian agency of repute; rules which still apply whether you are hiring a car, say, in France, Spain, Italy or Greece.

Since you are not out to impress, always pick the cheapest—usually group A—car which has enough seats for the number of bottoms in your party. It may not be the model you would choose to park outside your house, but it will save you a fortune in petrol and is far less likely to be broken into.

Booking before you travel also invariably saves money, although the price in an international car hire may rise when you reach your destination. Be it the international brigade of Hertz, Budget and Avis, or national firms like ATESA in Spain or Maggiore in Italy, there is a discount available in the UK which you will not receive from the firm's local airport booth.

Hire firms, using the reputation of national rather than international car hire, takes more explanation. The international brigade does offer holiday hire rates, but thrives on those business customers who exist on an overnight bag, a Filofax, and a set of car keys—the cost of which they do not pay. This is reflected in their pricing structure.

As a rule of thumb, business rates are double holiday hire ones, and if it is the business rate you may well be offered should you turn up at the airport booth unheralded.

Last year, for instance, a Group A Opel hired at Barcelona on a business tariff would have cost you £150 a week against £86 on a pre-struck holiday deal, while at Milan, the comparative costs ranged from £127 to £230.

Hazards of holiday hire

The hire companies would argue that this is not comparing like with like, since the business customer is looking for extras such as picking the car up at one point and dropping it at another, or having the vehicle delivered to him at his hotel. On the other hand, the holiday hirer not only hires more cheaply by picking up and returning the car to the airport, it is for him the more convenient option.

There are other catches in the terms which make it important to book the car in the UK, since it will be too late to argue if the bill comes in after the holiday.

The first is mileage, which shorter hire periods is often not included in the price quoted, and at up to 20p a kilometre could add £10 or more to your daily bill. The holiday-maker should always go for unlimited mileage deals to avoid confusion when the car is returned.

Then comes the collision damage waiver, offered as an option but absolutely essential for any holiday car hire abroad.

Consider the following holiday destinations—France, Italy, Spain and Greece. Without CDW, you will not only be asked for a hefty deposit against damage to the car in the event of a crash but can be liable for the first £500 in France, \$360 in Italy and Spain, and a mind-shattering £750 in Greece.

The daily collision damage waiver of around £3-£4 a day (the actual rate varies both with country and group of car) seems cheap, particularly when any damage caused does not



have to be your fault. It can even happen when the car is parked. Yet it is surprising how many hirers object to paying for the waiver and take the risk of being uncovered.

Personal accident insurance, also offered by the hire firms, is a different matter, and whether you choose to add a further £2 a day for such injury cover will depend very much on what other holiday options you have available.

But you should remember that all four countries demand some legal minimum cover in the event of injuring others.

A word here on petrol. With an unlimited mileage deal, the normal practice is for the car to be full when you start and full when you return it. If not, you will be charged—sometimes arbitrarily—for the fuel you are deemed to have used.

Before setting out, find the filling station nearest to where you will eventually be leaving the car, so that you can eventually top the tank up. It is just not true that you will find a filling station bang next to every European airport.

Which brings us to VAT. Added throughout the European Community, not just to the hire cost but to the collision damage waiver and any personal accident insurance, are two approaches to VAT charged on car hire. In France and Spain, hiring a car is treated like buying a second-hand vehicle, and the VAT penalty is correspond-

ingly high—a cool third of the hire bill.

Italy and Greece take a more relaxed view, but their standard VAT rates are still above the UK's 17.5 per cent. You can expect an 18 per cent VAT addition in Italy, and a 20 per cent in Greece, which is yet another reason for getting the payment settled before you travel.

Indeed, while shopping around for the best deal you should ask in the UK offices whether VAT is included in their quote—it is the biggest hidden extra, otherwise. One UK firm, Harland Car Hire, has simplified the system by quoting inclusive rates where possible for the majority of European destinations, though you will have to add CDW for France and Italy. The London office of Spain's national hire firm ATESA does likewise, as do Italy by Car and Quo Vadis in their special deals.

Special deals, often offered in conjunction with air charter, can bring the price down considerably, but you should always ask not just how many depots the hire firm has, but also how far apart they are in the event of breakdown or the need for replacement.

The first is a special deal, though to be left well alone, since the company band who makes you an offer you cannot refuse, but one which the AA strongly advises you to resist.

First the car is likely to be badly maintained and liable to breakdown; second, you may get patchy cover within office hours (and none outside them) and not as much as a jack to change your oil when the car is parked.

Finally, ring up on the driving laws before you travel. Do you know, for instance, that speed limits in France are reduced by 10 per cent when it rains, or that they will impound your car on the spot should they consider you too drunk to drive?

Keen spot fines for speeding or giving way are common through Europe, and can easily eat into your holiday cash. □

What happened to that Panda? There is little in Sicily that's a snail, a porcupine and a half-bottle of Scotch cannot fix. Within two hours, friendly drivers have swerved to the end of town to swap telephone strips on the hire firm, and sent us on our way. Waiting for the replacement was about a week, close to two days.

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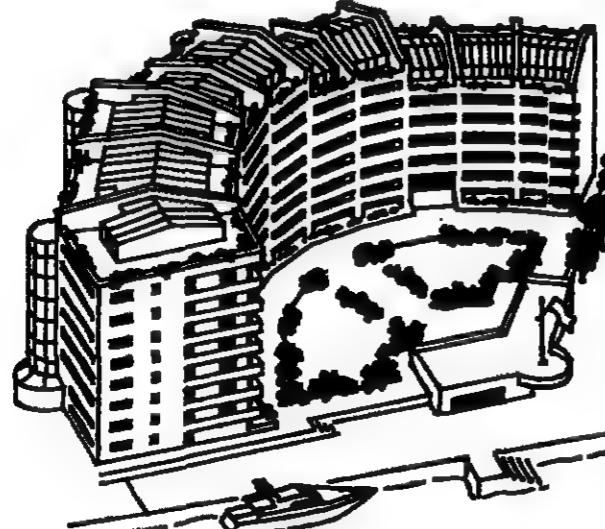
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As house prices have risen, it is increasingly common to find that the two lines have crossed over and that the whole farm — not just its barns and outbuildings — can be treated as a surplus agricultural property.

There are farms throughout the south-east of England where there is little or no scope to supplement agricultural income from other sources, and where the residential value is now substantially greater than the property would be worth as a going concern. Webb has seen an influx of Home Counties' exiles over the past year.

In the past two months alone, Stags has sold more than 50 farms and small holdings from the eastern borders of Somerset right down into Cornwall, and Webb says: "I would think two-thirds of those have been bought by people who don't intend to farm the land actively."

With so much marginal land being taken out of full production, perhaps the less-active farmers have a point. If enough people keep the sheep dog rather than the sheep, run ponies instead of cows, and prefer wild flowers in pasture to sown rows of oil seed rape plants, the surplus production problem might well resolve itself.

John Brennan finds no rush to sell old farm buildings

The housing fatstock market

NOT ALL farmers are fighting to get planning permission to turn their pig units into weekend cottages, or their surplus barns into country homes. In fact, as Bernard Stewart-Deane, of Bidwells in Cambridge, says: "Talking with accountants and bankers, as well as other surveyors, one of the overriding problems is persuading farmer clients to act in time until they see a strong reason for doing it. They leave things to the very last minute. They'll come to us the day before they retire and talk about what they want to do with a property. It can make forward planning that much harder."

As a spokesman for Savills points out, even when farmers do stop to consider the non-agricultural potential of their property, the widely publicised relaxations in planning do not necessarily give them free rein. He adds: "Press reports on the (Government's) land-use proposals would give the impression that there is now a free-for-all opportunity to build anything anywhere."

In fact, the truth is that exactly the same restrictions and procedures apply, and only those developments acceptable in rural areas will continue to be allowed; but where they have been turned down because of lack of agricultural land, this will not now be a primary consideration.

"The area of doubt in the new

proposals rests with the planning departments as to how they interpret this change in emphasis."

Since Savills reports that residential building land in and around villages is fetching between £150,000 and £300,000 an acre in the south and the sale price of barns for conversion now starts around £50,000, local planners' willingness to regard commuters and weekenders as a suitable new crop can make all the difference to the value of a farm.

In Cambridge and East Anglia, Stewart-Deane reports that the planners have begun to take a more relaxed view of the non-agricultural applications. His colleague, Nicholas Tufton, says: "There has been a change recently with the planners being more helpful about proposals for conversions, particularly where the buildings are not suitable for modern farming and where a development will not put too much extra pressure on the facilities in a village."

"There are an awful lot of traditional buildings that have no agricultural use any more, and without conversions they would be lost. Planners also recognise that these schemes have the effect of putting people back into the countryside again."

There is particular pressure to look beyond cattle or grain in the West Country because of the

number of marginal small holdings. The area has more than its share of over-borrowed farmers and nervous bank managers; and while most of the banks have been taking a realistically patient view of the problem, the halving of land prices in the past couple of years and the effect of over-production on present and prospective EEC support prices, combine to dim any hope that agricultural values will bounce back rapidly.

Farmers who have faced up to this, and have been persuaded to make the most of the development or amenity value of their land, are achieving some remarkable values, despite the general weakness of the market.

Webb lists 210 farms on his books where planning consents for a mix of conversions and developments have helped to bring the sale value up to £750,000.

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With so much marginal land being taken out of full production, perhaps the less-active farmers have a point. If enough people keep the sheep dog rather than the sheep, run ponies instead of cows, and prefer wild flowers in pasture to sown rows of oil seed rape plants, the surplus production problem might well resolve itself.

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GARDENING

Cross-bred aristocrats

ALTHOUGH I do not grow orchids in any serious way they fascinate me, as they no doubt fascinate many other people, by their beauty and immense variety — yet complete homogeneity as a family of plants.

Alan Moore, plant breeder in the highly successful Eric Young Orchid Foundation in Jersey, explained to me that the comparative ease with which it has been possible to make crosses between distantly related species and even distinct genera is due to the almost unique way in which orchids have protected the purity of their species.

They have not, like so many organisms, developed genetical incompatibility between species but, instead, have used peculiar flower formations to restrict pollination to particular creatures, whether they be insects, birds or something else, each of which visits only one kind of orchid. So it has been possible for man to step in, bypass the pollen carriers and transfer pollen wherever he chooses with much greater chance of success than is likely with most other plants.

One result of this is that orchids have acquired increasingly complex botanical names. *Brassolaeliocattleya*, for example, indicates that the plants are the result of crossing three distinct genera, *Brassia*, *Laelia* and *Cattleya*. These hybrids have sumptuous flowers in an exceptionally wide range of colours. At the Eric Young Orchid Foundation the moth orchids, or phalaenopsis, are being crossed with the first orchid, *Neuroterus*, and a third genus called *Dendrobium* to create an entirely new race of orchids with flowers of varying size and wonderful colour range. How botanists will combine those three names I have no idea, but the plants already exist.

Orchid-lovers tend to form three distinct groups. Those who join societies such as the British Orchid Growers' Society, the Orchid Society of Great Britain, the Central Orchid Society and the Scottish Orchid Society, are most likely to specialise in the tamer kinds that in certain need to be grown in heated glasshouses. At the other extreme are naturalists and a great many plant lovers who cherish the hardy species and preserve them in the wild whenever it is possible but quite wisely — they are tricky plants to manage — rarely try to transplant them into their gardens.

I number myself among these and am frequently puzzled by the way in which species appear and disappear without any obvious cause, and in spite of my efforts to leave them alone, except for protection against grass cutters and aggressive weeds. The rather dowdy trowel blade used to be common beside the lane leading to my house but it is many years since I saw it there. The early purple orchid comes and goes and, happily, is now in re-



Orchids even act to protect the purity of their own species,
says Arthur Hellyer

dance but I imagine my soil is too acid for the more gracilely formed pyramidal orchid which likes limy places. Lucky those with a coppice on chalk or limestone in which sweetly scented butterfly orchids grow or a boggy patch favoured by the marsh heliobore.

It is a short step from these non-interventionists to the gardeners who plant more readily manageable hardy orchids, such as the very handsome Maiden orchid and the similar but taller *Orchis* elata from Alpine (if you want to keep up to date just call it *O. heterochroma*) and *O. lutea* (the latter is a good species to spell). Both these will colonise readily in deep humusy soil that does not dry out rapidly and I meet them frequently in gardens, making spectacular drifts of solidly built, deep purple spikes. Hardy slipper orchids are trickier to manage and one would need to consult an expert before trying.

This brings me to what really started me thinking about orchids, namely the lovely

plantes which seem to belong, so far as gardens are concerned, to Alpine plant totems. Certainly one can always guarantee to find them in spring shows of the Alpine Garden Society and it was at one of these that I admired them recently in a fine exhibit by a firm that grows nothing else, Butterfield's Flewers of Bourne End, Bucks.

You do not need to be an expert to know that a plante is an orchid the moment you see it. There are the curious little pseudo-bulbs, so typical of many orchids, sitting on top of the soil with the stems growing from the bottom, not the top. The flowers have the unmistakable orchid formation with five fanned-out segments, a mixture of three sepals and two petals, as usual and the plante is folded upwards to form a little trumpet.

The whole plant is never more than six inches high, in some varieties only half that. The best way to grow plantes is in deep pots or half pots. These can be filled with ordinary peat, peat compost to which generous amounts of grit or coarse perlite has been added. But Ian Butterfield uses a mixture of six parts orchid bark and one part coarse perlite in the bottom of the pot and another mix of three parts of more finely shredded orchid bark, one part coarse perlite and one part chopped sphagnum moss in the top around the pseudo-bulbs. In winter the temperature can fall as low as 34°F and the plant needs to stand in a frost-free place, the climate will need to be sheltered. For those who need more information Butterfield issues a small but comprehensive leaflet.

The colour range of plantes is not great; from white to deep rose and magenta with one rare excursion into yellow. Those which specially pleased me at the show were Tangerine, dark magenta with flecks of orange in the throat; Brigadoon Woodcock, old rose with orange; Snow White, with a delightfully frilly lip and pleated leaves in two shades of green; Goldenrod, a golden-yellow flower; and Alicia Merlin, with deep maroon petals and sepals and a white lip heavily decked with crimson.

The colour range of plantes can be grown successfully on a window ledge but I think they might find the air a bit too dry at times. No doubt a plant cabinet or Wardian case would help. The colour range of plantes can be grown successfully on a window ledge but I think they might find the air a bit too dry at times. No doubt a plant cabinet or Wardian case would help.

FOR THE past month my gardening has been all out but has had nowhere to go. The ground is mapped out for my new garden. It is quite clear where they ought to be radiating, but their pattern of a goose-foot as yet, has not imprinted itself on the rough grass. There are signs of scratching, but no action. Why not?

Of course, I blame the torrential weather. However, I have also made a false start. My problem has been a familiar one: how to make beds and hedges in rough, rather weedy turf. In gardening as in battle, strategy is as important as tactics. Gardeners who are good at execution are not always so good at forward planning.

I could think of four possible methods of approach, and the organic gardeners confused me as usual and suggested a fifth. The yards of ground could be dug by hand, a slow and monotonous task. They could be positioned with the admirable Roundabout but Roundabout does not function in wet weather and takes quite a while to kill off roots.

Otherwise, the turf could be cut with a heavy machine; it could even be dug out by a heavier machine which would slice out the top layer of weeds and leave workable earth below. I had never used a really heavy rotavator, but it seemed that, in that famous phrase, "there was an alternative". I should hire a big digger and then hire a trencher to the full, bypassing hours with a spade.

Nowadays, you do not have to buy machines: you can hire them all and pay on a credit card. The new phone books list garden machinery under "Contractor's plant hire" and the "plant" comes in as many varieties as the contents of a herbaceous border. It sounds much easier. Did I want a Drott or a Bobcat, a Kubota or a JCB?

None of them, I began to feel, sounded suitable, giving a new meaning to the idea of "planning".

Why not try a Kubota, the hireman suggested; small, efficient, & undercuts anything? It sounded Japanese, but in this country Kubotas tend to come without drivers. One of my workmen said he had driven something like it before and, as it can dig earth but not throw it away, it left me free to realise my second earliest ambition and drive a friendly, yellow dumper as a support-force.

The strategy was fairly simple. Dave would reverse the Kubota slowly down each avenue which had been marked with string; I would move in convoy beside him, leaving him to drop each bucket load of weeds into the dumper's hold. The tactics were more intricate.

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WEEKEND FT REPORT

Introducing a guide to greenfingers
on the button

And a tale of ten tractors

IT WAS the perfect English garden—45 acres of it with the new-season lambs nibbling the grass at the edge of the nine-hole golf course and the April rain coming down as straight as stair rods.

We were in the grounds of the Brigstocke House Hotel, near Stanstead Abbotts, which we chose to hold the great test of garden tractors to introduce the latest in gardening equipment. We were testing 10 garden tractors with the co-operation of leading companies operating in this field.

It was a highly successful day. Arthur Hellyer, our gardening correspondent, tested them from a gardener's point of view and Stuart Marshall was around to give a motoring correspondent's verdict. The rain continued falling but we carried

on. Hellyer summed up by saying: "Well, if a tractor can work in these conditions it must be all right."

The verdicts of Hellyer and Marshall are carried on this page and the next page. But on other pages we look at the whole changing pattern of what makes your garden grow. Hellyer discusses how the family garden is becoming less a place just to grow things, and more a leisure centre and looks at other power-driven aids that are taking the backache out of cutting lawns.

Arthur Dawson gives some advice on how to buy and follows the wide range of smaller gardening tools available. Finally, Lucia van der Post points the way to the best buys for design-conscious seekers of garden furniture.

Alan Forrest

The test where rain didn't stop play

BY COURTESY of the Financial Times and 10 manufacturers I was able to lawn-test 10 ride-on mowers and garden tractors on the same day under identical conditions. Of course more than nine manufacturers are making such machines and most have several models but these 10 were chosen to give what seemed a reasonable sample of the machines on the market. Two cut by the cylinder cutting method, eight used rotary cutters, seven were powered by petrol engines and three by diesel engines. The price range was from just over £1,000 to close on £5,000.

The two cylinder cutting machines were the Allen Lawn Ranger Triple Mower and the Mountfield Triple M. Both use three separate cutting units mounted to give a slight overlap. In other respects they differ markedly. The Mountfield sits squarely on four wheels, the back pair driving, the smaller front ones steering. The Allen has only three wheels, the two front ones drive and the centrally mounted rear wheel pivoting to steer rather like the rudder of a boat.

This gives an extremely tight turning circle, allowing the machine to be rotated almost in its length and the feeling of very sensitive reaction is increased by the use of almost vertical handlebars in place of a conventional steering wheel. All this adds up to a machine that is very lively to drive and one that can be swung around flower beds and other obstacles with little need for reversing. Cutting quality is excellent. The price with VAT is £1,194.25.

By contrast the Mountfield is a much sturdier machine to drive and for complete comfort needs good turning space but it does the job of a stacker of wet grass with astonishing ease, cutting it down to half an inch at a single passage. The Allen also cuts well but suffered

a little from wheel slip when the slopes got too steep. All controls on the Allen were convenient. I found the mounting of the throttle on the Mountfield just behind one's right hip, awkward and one would soon get used to this. Both machines were powered by 1.8hp (319cc) Briggs and Stratton engines with electric self-starters and alternators charging while in use. The Allen cost £2,220.00 and the Mountfield £2,288.25, both prices inclusive of VAT.

The MTD Lawflight 635 garden tractor is powered by a 1.1hp (399cc) Briggs and Stratton engine and carries a 30 in wide

twin cylinder, water cooled engine is notably quiet and the machine is shaft driven via an ingenious 5-speed and reverse, gearbox controlled by a conveniently mounted lever which automatically disengages and re-engages the clutch as it is moved through the gears. The 30in rotary cutter is automatically stopped directly the driver's weight is removed from the seat.

I like everything about this machine except the side elevation. A grass collector is available but the grass must travel through a tube which gets in the way and may become clogged. I think that, for the British market, Honda would do well to offer rear ejection as an alternative. The price of the HT318S including VAT is £2,672.75.

The John Deere 320 is powered by a Yamaha 3-cylinder, 16 hp diesel engine which proved quiet and powerful. The machine I tried was fitted with a 46 in side discharge rotary cutter. The machine was fitted with optional vacuum grass collector powered by an independent Briggs and Stratton petrol engine but this proved to be incredibly noisy. Personally I would buy the optional rear dis-

charge cutter for an extra £50 and trail a sweeper behind the machine where necessary.

The tractor itself is quiet and is fitted with hydrostatic transmission controlled by one heel and toe pedal. Press this with the sole of the foot and you move forward, press with the heel and the machine goes in reverse. It is effortless and delightful when you get used to it but you must not have a nervous, twitchy foot.

Price, excluding VAT, is £3,660.00.

Finally I drove the hulky Kubota GS10ST with 14 hp 3-cylinder diesel engine and 44 in side discharge rotary cutter. The machine was fitted with optional vacuum grass collector powered by an independent Briggs and Stratton petrol engine but this proved to be

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I also drove the John Croft Machinery Yarrow itself with 14 hp twin-cylinder diesel engine and 48 in side discharge rotary cutter. This is a big machine made to look even larger by an enormous, 4 ft 6 in, grass collector sitting at the back. Personally I would dispense with this and use the machine as a fast and efficient cutter, employing separate pick-up equipment where necessary.

Drive is by shaft and the cutter is engaged by a flick of a switch on the dashboard. A differential

is also provided for side elevation.

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The John Deere 320 is powered by a Yamaha 3-cylinder, 16 hp diesel engine which proved quiet and powerful. The machine I tried was fitted with a 46 in side discharge rotary cutter. The machine was fitted with optional vacuum grass collector powered by an independent Briggs and Stratton petrol engine but this proved to be

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The tractor itself is quiet and is fitted with hydrostatic transmission controlled by one heel

WEEKEND FT REPORT

Grass or paving, mowers, swimming pools and barbecues... Arthur Hellyer reports on the growth of the home leisure centre

So how should your garden grow?

THE WHOLE outlook on gardening is changing in ways that designers seem scarcely to have noticed but the chemists and equipment manufacturers are exploiting with great success. The emphasis is no longer primarily on first-class and colour-scheme, but rather on facilities for enjoyment.

Precisely what these are will depend on personal taste and available space but even the smallest gardens are likely to be used for occasional meals and parties. It does not take much space to accommodate a swimming pool and this may easily become a central feature of the design. Lawns will want safe places in which their children can play and eat and dog owners room for their pets to exercise without either causing or suffering harm.

All adds up to something very different from the gardens of mid-century Britain still dominated by the ideas of Gertrude Jekyll and William Robinson.

Grass needs specially careful consideration as, if badly chosen or poorly used, it can become a major problem. In tiny gardens it is best always a maintenance and its place for paving or paving. This may be all one kind for simplicity or be varied in colour and texture for greater interest. Manufacturers of paving material now offer a range of patterns already formed in rectangular slabs which are very easy to lay.

Various gravels are also available which can be used on their own or combined with paving to give a contrast in texture and to extend the possibilities for planting.

Lawns that are to be closely cut must be made with fine leaved slow growing grasses which need far more maintenance than deep pile lawns with an inch or more of growth made with modern dwarf pedigree rye grasses. The fine lawns also need best to cylinder mowing and the deep pile lawns to rotary cutting though there is some overlap in this.

In large gardens mowing can be one of the most time consuming tasks and needs to be considered carefully. There may be a temptation to economise with the smallest machine that is claimed to be capable of the task. It is better to go to the other extreme and slash out something that is really too large for easy manoeuvrability in the space available. Garden tractors are for use where grass comes in quite large tracts;

ride-on mowers for areas up to half an acre or thereabouts, and walk-behind mowers for anything up to a full size croquet lawn or a couple of tennis courts.

Remember that, if you choose electricity as your power source, you will be limited in movement by the length of the cable. Extension cables can be used but diminish the efficiency of the machine.

This can be overcome by carrying the mains supply into the garden to conveniently placed power points but these must be waterproof and all the work of fitting and connecting must be an expert. Even so it is wise to have a residual current circuit breaker at the start of the system or in the plug of each machine that will be used from

Labour problems are also totally different and, even if help is available, it is likely to be unskilled and on a contract basis. Garden owners must be patient, let the experts do their great deal of the work. It need not be ruinously expensive, exhausting or time consuming if the right tools and techniques are identified and the garden planned to allow these to be used effectively.

Petrol engines have the advantage that they can be used anywhere and the old dread that they will be difficult to start has been largely removed by the increasing fitment of self starters. I regard these as essential in engines of 6 hp or more but it is now possible to buy quite small walk-behind mowers with self starters powered by tiny batteries which are a useful spin-off from the space programme.

These machines also have cultivators which keep the batteries topped up as the machines are used so there is no longer the old dread of finding the battery flat when you come to use the machine.

Grass in awkward places against walls and fences, around the bases of trees and close to ornaments can be cut swiftly and safely with a power driven nylon line trimmer and excellent line machines can also be used for rough lawn edge trimming if the head is slightly tilted. For high class lawn edging there are numerous special machines both electric and petrol powered.

Lawns, particularly those that are cut closely throughout the summer, will need watering in dry weather. Many different kinds of sprinkler are available, including oscillating, impulse, sprayers, etc, but what is important about all of them is that the water is evenly distributed, sufficiently finely broken up

and applied sufficiently slowly to allow it to soak in. Water that runs off the surface is not only wasted but is likely to compact the surface hopefully.

Pop-up sprinklers can be installed permanently and are forced above the surface of the lawn when the water flows through them and drop back out of the way of mowers, etc, when the water is turned off. Automatic systems of various complexity are also available to control the water supply.

Some lawn mowers can be fitted with revolving rakes and scarifiers and most garden tractors will take a wide range of lawn-care equipment including sweepers, rakes, scarifiers, spikers and sprayers for the rapid application of selective herbicides. Herbicides can also be applied from hand operated spraying machines and special applicators, the essential thing to remember about all these being that, since the lawn herbicides only distinguish between grass and other plants, they must not be allowed to drift on to flower borders, ornamental shrubs, etc.

It is not simply selective herbicides that have been developed to the great advantage of gardeners. So-called total herbicides (few of them really kill all plants and none kills all with equal efficiency) are invaluable in replacing traditional weed control with spade, fork, hoe and spud. Many hours of tedious work can be saved and the action of these chemicals must be understood so that they can be used safely.

Finally there is the transport of material in the garden. Wheelbarrows are in all shapes and styles today, some specially designed for use on rough or soft ground. There are also numerous hand propelled trucks for larger loads and most tractors will pull trailers. In big gardens a trailer is likely to be the most used item of equipment after the grass cutter.



Some only work through the leaves, some only through the soil, some only in both ways. The soil acting kinds can be made to some degree selective by varying spraying application so confining them to the surface can be tricky and so they are of most use in keeping drives, paths and courtyards entirely free of plant growth. Leaf acting herbicides can be made completely selective by applying them only to the leaves of weeds and this is made easier by fitting hoods to spraying machines, or using very small hand sprayers held close to the leaves. Spraying with a gun or rotavator can virtually be pivoted on themselves.

For the cultivation of vegetables and fruit gardens mechanical cultivators are available from little rotaries pulled forward by their own revolving blades to powerful wheel driven machines with sufficient power to break up the soil to reasonable depth. Such big machines require space in which to turn round whereas the blade driven rotovators can virtually be pivoted on themselves.

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A garden play-house... from SMP Playgrounds

Choosing the right way to cut grass

EXCEPT FOR a few specialised tasks, hand-propelled lawn-mowers have almost disappeared. There is a power driven mower for every purpose from the smallest town lawn to the most extensive country acres. What is essential is to decide how closely and how frequently grass is to be cut, and then choose a machine that will do this easily and efficiently.

There are two main ways of cutting grass; one by lifting it off with a swiftly rotating blade, the other by clipping it with rotating blades passing over a fixed blade. Machines using the first method are called rotaries, those using the second method, cylinder or reel mowers.

Cylinder mowers, if kept sharp and well-adjusted so that revolving and fixed blades make close contact, give a very clean cut and are also economical of power. Rotaries are a little more likely to raise the grass but they do not cut readily when the grass is long or wet. Some cylinder mowers are specially designed to deal with these problems but usually with some loss of smooth finish.

Width for width rotaries need more power than cylinder machines but the extra cost of the motor to supply this may be offset by the simplicity of construction. Price is unlikely to be the deciding factor between rotary and cylinder mowers. More likely it will be determined by the kind of finish required. If close and very smooth a cylinder may be preferred. For a deep, velvety lawn a rotary may be a better choice.

Safety may also be a consideration since, though cylinder machines can do much damage to fingers, toes are more likely to be injured by rotaries.

Many machines of both types are fitted with safety devices and one of the most effective for rotary mowers is to use tough plastic revolving blades in place of rigid steel blades.

But plastic blades are available for small machines only and even then must be replaced after 60-90 minutes work. They are cheap and can usually be fitted quickly without tools. All rotary machines should be fitted with a brake to stop the blades swinging when the motor is stopped. Some have a device that shows quite clearly when and at what speed the blades are rotating.

At the cheapest end of the market there is a tendency to under-power machines in order to keep down cost. Higher up the price range there is less likelihood that lawn mowers will be selected solely on price and so manufacturers have to concentrate on improvements and plan for long life and reliability.



The Hayter Senator mower

Very low-priced machines are all powered by electricity taken direct from a mains supply. There is some danger in this since mains voltage can be lethal but all leading manufacturers follow sensible insulation practices and many are advocating the use of a residual current breaker (RCB) at a point before current actually enters the flexible cable. Some machines can be pushed, pulled or swayed when the grass is long or wet. Some cylinder mowers are especially designed to deal with these problems but usually with some loss of smooth finish.

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Elsewhere in this feature my expert colleague, Arthur Hellyer, goes into the technicalities of how a motor can be changed into a lawn-mower.

Most, if not all, garden tractors have an interlock which prevents the engine from being started without disengaging the cutter deck. They start on the key, just like a car. None of that heaving on a rope round a pulley.

At the cheaper end of the market the engineering is elementary, not automotive, but the budget priced tractor is none the worse for that. The controls may be a bit stiff and you are never unaware that you are sitting above an air-cooled engine but they seemed to work well enough.

The British-made Westwood can be had with a power driven collector that sweeps the bin into an easily emptied bin and gives the lawn a brush-up at the same time. The Barrus Lawntiller has a transmission like the original DAF car, with a rubber belt running over continuously variable pulleys. I always did reckon it was no transmission for a car but that it would suit garden machinery. It

depends on which model you buy on the make, type, age or condition of your old car.

By choosing an Atco or Webb, you'll be buying a British cylinder mower of the finest quality that will give you a superb looking lawn with a beautiful striped finish.

The offer is available only from participating dealers. So, to find out where you can take advantage of this special Trade-In in your area please return the coupon below.

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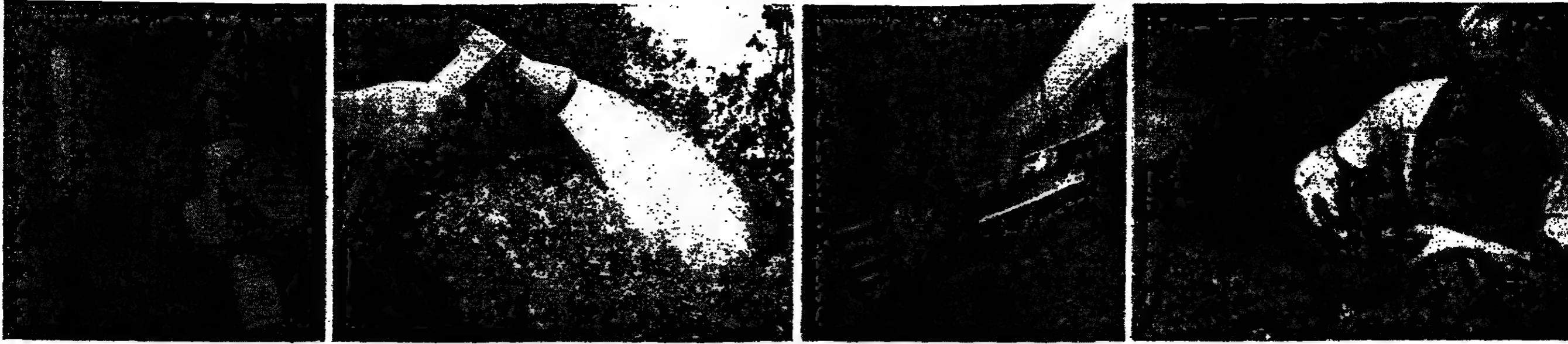
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Small things for the garden . . . the Hoselock Aquameter, the Vari-Spray, the Black and Decker cordless shear and B & D's new cordless hedge trimmer

EXCHANGING ONE set of skills for another is not always easy, particularly for the elderly. When I was in a flush of enthusiasm I offered to do the back-breaking jobs that led my man to buy his mother an electric grass trimmer—something he used regularly in his Canadian home. Unfortunately, he failed to take account of the difficulty that his mother, nearing 80, might have in pulling out the hand cord or lifting a nylon from a spool. It is a difficult job for the mechanically minded at the best of times. So the machine is back in its container in the garage until other relatives come and use it for her.

Nevertheless, new products are being introduced with varying degrees of success with the aim of reducing time and energy spent on tedious jobs in the garden. Trade estimates assess the market for this sector of powered tools at £2m annually with grass trimmers share with about one third of sales. The market is dominated by

Black & Decker with well over 50 per cent of the sector during 1985 followed by Qualcast with about 10 per cent, but the latter also develops some equipment such as trimmers and lawn edgers as attachment to its electric lawnmower range where it is a market leader.

It is perhaps it was in sympathy with the elderly gardener's plight that B & D has now improved the range of the trimmers with two new models which feed out extra nylon line when needed at the push of a button, thus eliminating anyawkward fiddling jobs.

The fine spool and control button are incorporated in a centre handle which can be removed, according to convenience, anywhere on the tool's shaft. On command, the line is fed directly down to the

cutting head and automatically adjusts to the correct length. The models provide a 10 in or a 12 in cut.

Last year's big success, however, among power tools for the garden was the introduction of a weeder which acts as a kind of electric rake. It does the work of a scuffle hoe, but with the pronounced reciprocating blades.

It is a simple device which is particularly popular with elderly gardeners. It is a good idea to keep a spool of extra line to hand. The power of the weeder is provided by a 400-watt motor to burrow rapidly into the soil to loosen weeds and uproot them. All this is done without bending, a boon to the elderly or infirm, because the tool has a long handle. After switching off the power the weeds can be lifted away in the weeder's forced blades. By inverting the tool so that the blades pull vertically downwards it can easily eradicate those difficult weeds that grow between patio flag-

stones, crazy paving or brick paths.

Improvements in safety standards and the introduction of lighter and simpler tools like hedge trimmers or saws have undoubtedly stepped up demand by gardeners particularly those who have put off their digging and mowing of late. The earlier versions, a strong boost to sales has come from the introduction of cordless (battery-operated) equipment such as shrub trimmers and grass shears. B & D supply both tools with a charging base for fixing to the garage or shed wall near a power point.

When the chargers are slipped into the base they recharge automatically and are ready to be taken out and used immediately. A 16-hour charge is claimed to give up to 30 able nickel cadmium cell—used

for the power pack—which was originally developed by B & D to power a core sample drill for use on Apollo moon missions.

Big strides are also being made in automating the watering of a garden. Increasingly sophisticated methods are incorporated into hose end attachments in the form of trigger spray, ring valves and programmable sprays. Irrigation systems have also been developed to carry out specialised functions other than watering.

Attachments which contain fertiliser tablets allow the garden to be fed and watered at the same time and pressure sprayers with external or internal pumps have also been designed by the traditional use of secones and loppers. This represents the most sophisticated use yet of the rechargeable batteries, which are used for chemical treatment such as weedkilling or insecticide spraying.

required is delivered and the high-tech element takes into account the variations in water pressure, unlike devices based on a timer control.

Another area where high-tech is playing its part is in lighting devices for the garden. Most ambitious gardeners, keen to show off their work, will find a sophisticated range of functional lights for barbecue areas, patios, lawns and even in the garden. Submersible pool lights are also comparatively inexpensive and easy to install. Most manufacturers supply a transformer to step the mains power down to 12 volts.

In spite of all these labour-saving devices and conveniences the day is still some way off when high-tech will allow the gardener to sit back out on his lawn chair and let his lawnmower by remote control. However, he may be able to watch the greenhouse shutters open and close according to the beat.

Arthur Dawson

When it's all power to your green fingers

BRITISH SUMMERS are transitory, uncertain, predominantly grey with just enough blue sky and sun to ruin the rest of what we have planned. It is odd that manufacturers have taken so long to cotton on. There have been all these years, making the sort of garden furniture that would look most at home round a Riviera swimming pool, selling dreams instead of realistic pieces to work in the landscape we live with.

But cotton on they have at last. Today there is a whole host of garden furniture pieces and materials, all of which would add comfort and delight to any English pastoral scene, no matter how damp and verdant.

Gardens, like houses, come in many moods and the wise furnishers of gardens will think of them: as extensions of their houses. Strong, contemporary homes demand strong and simple lines—the sort of furniture that Zanotta (an Italian company whose British agents are The Advanced Furniture Company, 218-220 Shaftesbury Avenue, London, WC1) does for instance.

Look particularly for Camille plain wooden slats for seat and back but an interesting dark green curve frame that lends interest and contrast. Not cheap at £725 but strong and sturdy

Revolution in furniture

enough to last almost forever. Prado is a simple, sturdy matt black wooden bench which, with its lack of fuss and frills, would be equally suitable for gardens attached to modern fittings with matt black chic. It may be expensive, at £1,375, but chic never did come cheap.

Those for whom these prices are out of reach could do a lot worse than head for that renowned source of good value—the John Lewis Partnership stores. There they can find a pleasing slatted bench made of solid wood with a matching white-painted frame.

White-painted furniture is very much in vogue these days and if it is your scene you are spoilt for choice.

Chatsworth Workshops, founded by the Duke and Duchess of Devonshire and based at Chatsworth House, has for some time produced eminently English garden furniture. Besides the elegant simple wooden lines of previous years this year's Tie and Tassel Collection, 144 Sloane Street, London, SW1, has what it calls the Chatsworth Bench. A two-seater, white-painted, with a heart motif, it sells for £195.

For those with small gardens and even smaller storage spaces The General Trading Company sells a white-painted slatted folding table with matching stacking stools—a wonderfully convenient piece for when summer is over. The table is £28.50, and for £24 you can get a parasol as well.

If stools are not your idea of comfort on a languid summer Sunday you could opt for directors' chairs instead—the frames are white-painted (what else?) and there is a choice of single pine or cobalt blue fabric covers. The chairs sell at £25.50 each.

If directors' chairs are your style (I always think they look wonderful and they have the advantage of looking almost as good inside as out but they are short on comfort) then you might like to know that Habitat this summer is selling frames and fabric separately—an idea of stunning simplicity. You choose four frames from natural black or white-painted wood (price £24.95) and then you add the slings (£5.00 a pair) separately.

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This also means you can change your colour scheme according to season and mood. Slings come in a lovely garden chalky green, burnt orange, midnight blue.

Those who prefer their garden furniture more muted—in natural timbers, for instance rather than painted bright white or another conflicting colour—should look to the Lister collection. Lutysen and Evesham designs have an Englishness that makes them peculiarly suitable for green/grey gardens. The Lutysen collection is inspired by the English Arts and Crafts movement, while Evesham is in similar mood, conveying an air of immensity, solidity and impermeability.

There has long been a British love affair with things Oriental (notably, possibly, Chippendale) so Lister's Gidleigh, based on the Chinese lattice pattern, looks surprisingly at home in any English country garden.

If you want a parson's Italian Renaissance Parasol, made entirely of cream waterproof cotton, is much the gentlest in the English landscape—it fits onto a plain wooden pole which in turn fits into solid teal garden furniture made by Barlow Tyrie. The table, circular, costs about £270, the parasol about £200. See them both at The Garden Centre, Sydney Street, London, SW1.

Owners of wild, romantic, overgrown gardens, the sort I love best, have taken to scouring the antique shops and the architectural salvage companies for the right furniture to suit their mood—therefore you might find a wonderful rampant piece of ancient furniture, an ornate armchair, a single wrought-iron bench of intricate delicacy or a Victorian cast-iron table to fit a particular niche.

T. Crowther and Son, 222 North End Road, London, SW6 is a good source of antiques and The Original Architectural Heritage at Boddington Manor, Cheltenham, Gloucestershire.

Clifton Villas Nurseries, 35 Clifton Villas, Warwick Avenue, London, NW1, always worth securing for a romantic piece and ornamental ironwork. The Old Convent, Beeches Green, Stroud, Gloucestershire, produces pieces with a gentle decorative quality that are very pleasing to the eye.

Lucia van der Post

Market places

WHILE WE remain a nation of gardeners the size of gardens is shrinking and it is becoming more a place of leisure than a workplace. The growing popularity of barbecues and patios demonstrates that shift.

Another small but useful distribution centre is the local distribution club. Not every member of a club realises that many of these are also outlets for a whole range of garden equipment from mowers, hand tools to garden furniture at substantial discounts and often have members who can offer expert advice which other point-of-sale outlets lack.

The hand tool market was

worth about £45m in 1985 but is not as buoyant as power tools, again a reflection of the desire to increase the efficiency in the market. The better the quality of a spade or fork, the more it is likely to be looked after and the durability of many of these products leaves little scope for rapid growth in sales.

Prominent rack merchandising enabled the multiples to keep ahead in this sector but suppliers, by brightening up the range of hand tools, hand mowers and cutting tools such as shears, have encouraged impulse buying in outlets like garage forecourt shops which are now offering a much wider retail range than car-based products.

Many large chain stores, including Boots and Woolworths, are also offering their own range of products.

In the power tool sector improvements in safety standards, the greater use of cordless products and lighter and simpler gadgets have caused demand to be stepped up by as much as 200 per cent since 1980. Black & Decker leads the field in this sector with about 80 per cent by volume followed by Qualcast with 10 per cent.

B & D has undoubtedly benefited by the fact that DIY sheds and multi-storey garages only display their range of tools. Distribution leaders are B & Q, Homebase and Texas Homewares but Woolworths and Boots have also consolidated their position at the expense of traditional hardware outlets which accounted for 40 per cent of the tools market at the beginning of the decade. The DIY multiples now hold 40 per cent of this market.

Impulse buying plays an even

more important part with garden furniture as anyone who has ever visited the Chelsea flower show will realise, judged by the queues that form to look at new ranges of garden seats and tables and chairs on special offer.

The Mintel report estimates

the value of this market in 1985 at about £55m and last year might even have been slightly down on this figure because of the poor summer.

An article elsewhere deals with the important role of fashion in this sector where an Alibert patio set, prominent leaders at the expensive end of the market, with its range of accessories, can cost up to £1,500.

In terms of manufacture the market consists of cast metal, tubular metal, synthetic resin and solid wood furniture. The small amount of cane and wicker furniture is primarily intended for conservatories and is not really suited for outdoor use in this country.

Undoubtedly the synthetic resin furniture is expected to

	No. of outlets	% share
Multiple Grocers	10,365	24.2
Horticulturalists	7,385	17.2
Florists	7,370	17.2
DIY Specialists	5,085	11.8
Varity Stores	3,911	9.1
Garden Centres	2,500	5.8
Garden Suppliers	2,335	5.5
Boots	1,685	3.9
Department Stores	1,007	2.4
Mall Order/Catalogue	1,000	2.4
Total	42,851	100.0

Source: Census of Distribution

grow strongly from its present 16 to 20 per cent by volume. Its stylish appearance, ease of maintenance and durability—no parts to rust as with tubular or cast metal—makes it particularly appealing to younger people.

Already the multiples and DIY centres which hold about 35 per cent of the market at present can expect fierce competition as new outlets come in such as Marks and Spencer which is adding new garden sections to its enlarged stores.

But the up-market suppliers are now planning ranges of furniture for distribution through multiples such as B & Q and DIY centres and consolidated units which are raising the price and quality image to challenge the specialist garden centres.

The result for the gardener can only be beneficial as he moves the barbecue into the shelter of the patio when the rain comes down and no longer needs to worry about his weather-resistant furniture.

Mobile Special Report—Gardening 1987

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Celebrations in style

WHEN Zeev Aram opened his first shop 25 years ago in Chelsea's Kings Road it almost brought the traffic to a stop. Its bare white walls, and sparse interior dotted with just a few impeccable pieces of furniture by Marcel Breuer and some advanced lighting by Flos were quite a shock to local inhabitants used to trotting to Peter Jones whenever they needed a new lampshade or a length of chintz.

People like Harry Quant, the photographer Claudio Virgin and their contemporaries could scarcely believe their eyes. Here at last was furniture and lighting that was not only immediately made and made beautiful, but that showed there were more ways to furnish a house than by copying what your parents had done.

That small shop was just the beginning. Today, Aram Design occupies a vast and spa-

cious (but still white and spare) showroom in Covent Garden's Kean Street. In the years between, he introduced to the British public most of the great classics of modern design—the works of Le Corbusier, the lighting of Castiglioni furniture by Carlo Scapinzi and the breathtakingly simple yet original pieces by the Japanese architect Shiro Kuramata. He rediscovered the works of Eileen Gray, the British architect and furniture designer (now dead) who spent most of her working years in France, and today produces some 17 pieces of her timeless furniture.

The uncluttered design seems Zeev Aram of being a little aesthetic in his tastes—nobody could accuse him of gimmickry. He behaves like a grand old aristocrat in the world of modern design. He is hard to please, is absolutely sure of his own

judgment and goes only for the very best of its kind. So if that means it costs an arm and a leg, what else can you expect?

Twenty-three years on seemed to Zeev like a good moment to celebrate. His sort of a celebration is quite different from anybody else's—he decided to commission original pieces of furniture from a host of his friends. He agreed to pay for the making up of the prototype and the only stipulation he laid down was that each piece should be capable of being reproduced. In other words it was to be furniture, not fine art.

The result as you might expect from the list of friends to whom he gave names—as artists Eduardo Paolozzi and Peter Blake, architects Norman Foster, Brian Henderson and Piers Gough, designers like Alan Fletcher and Eva Jiricna—are fascinating and well worth a visit to the showroom. There you can see John Prizeman's immaculate chair with wings that double as writing-tables or coffee-tables (so simple but why has nobody done it before?), Paolozzi's ingenious work-table-chair made from cast-off materials, Norman Foster's exquisitely simple white Peter's double bed or Lord Snowdon's fold-up week-end wardrobe.

A few of the pieces are shown photographed here—the rest can be seen at Aram Designs, Kean Street, Covent Garden, London WC2 from now until May 20 (Monday to Friday, 9.30 to 5.30).

That small shop was just the beginning. Today, Aram Design occupies a vast and spa-



Perhaps the most immediately desirable of all the objects on show were the letterboxes devised by Alan Fletcher, of Pentagram. They are made from solid cherry-

wood; and although the boxes shown here stand for from A (to Alan) 2 (to Zeev), any letter of the alphabet could be made. Much of their charm lies in the quality of



Handle your Fax

THE PROBLEM with all those loose-leaf personal organisers—usually (and often incorrectly) referred to collectively as Floboxx—is that they seem to have become imbued with an inflated cultured status out of all proportion to their usefulness.

This is singularly trying for those of us who have been using them for years. We took to them, not because we found them deeply significant or remotely trendy but, quite simply, because we found them helpful in our daily lives.

We could make notes and then dispose of them when we had finished with them; we could choose for ourselves which bits of information we wanted to file away, we could keep our address and telephone numbers going from one year to another without having to copy them out annually, and so on and so on.

Then along came the Yuppie who somehow seems to have appropriated loose-leaf systems (in particular, the Filofax) as his personal stigma of the instant class.

All this puts determined Yuppies like myself in an awkward position. Can we go on using these systems without being mistaken for the breed?

It is an uphill task, as any constant user will tell you. You have only got to bring out the tell-tale binder for the ranks to close—you are either admitted to the brotherhood or subjected to a barrage of withering irony.

So I am still clutching my own black leather binder, but I am not sure how much longer I can hold out. Perhaps the answer lies in better concealment—keep the usefulness and eliminate the visual evidence.

Lefax, the US originator of all such loose-leaf systems and data sheets way back in 1910—long before the parents of today's Yuppies were even clean in their pants—had long perceived that carrying a binder can present a problem. Men who are prone to displaying the contents of their pockets sometimes leave it behind in restaurants or taxis. Some men don't own one because they have no means of carrying it. So Lexax decided to devise a hold-all for what some now regard as a vital prop.

Lefax has come up with three designs. I prefer the cheapest one—a simple see-through hold-all with a black vinyl strap which sells for £25.75. It looks very neat and made of sturdy materials. No aura of status or Yuppie-dom hovers round it. It also does the job perfectly.



Ever wondered how to carry your Lexax binder? Here's how. Top—a unisex embossed leather carrier on a classic pre-war camera case. The binder is held in place by a rod so you can write in it without removing it. It also has a slot in the top for letters. A few other binders—£15.00. Centre—the Macbag, a simple see-through plastic holder with strong woven strap, £5.75. Bottom—a fine natural bridle leather briefcase with side-pockets for binder, as well as for other possessions, £30.00. All from Lexax, 9, Murray Street, London, NW1.

Keeping its contents clean, dry and protected; and in shoulder-straps mean you can carry it just like a shoulderbag. If you keep your money in the binder itself, there is still room for some keys, and you can dispense with your handbag.

Next on the scale comes a hold-all of black embossed leather, based on the old classic pre-war camera cases. This one takes a binder and has space in the top for a few additional things like keys, handkerchiefs, etc.—£25.00.

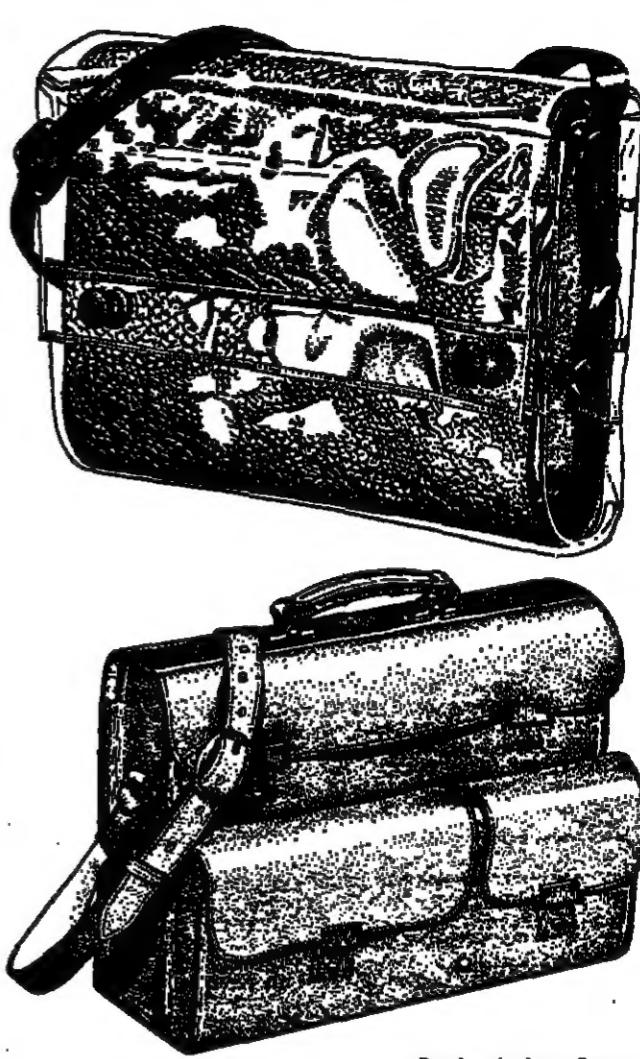
In chief advantage is that it doesn't look like a handbag, so a man could carry it and not feel he might get strange looks down in the pub. It is extremely well made and finished, and sells for £150.

Top of the range is a brief-case which has two side-pockets—one for the Lexax binder, the other for any other oddments that might need carrying. In the brief-case side, of course, go whatever it is that briefcases normally carry. It comes with a detachable shoulder-strap and a handle, so it looks suitably unique.

There is a version in black woven nylon with a strong webbing strap at £100, or a luxurious, hand-made version in fine natural bridle leather for £300.

All can be bought only from Lexax shops at 28 Shelton St, Covent Garden, London WC2 and London Wood Partners, 9 Murray St, London NW1. Any-one interested in mail order should telephone 01-483 6266.

L. v. d. P.



Drawings by James Ferguson

Have an iced Easter cake

Cookery



A READER recently pointed out to me with polite chagrin that in all the years I have been writing for the FT I have not yet published a single recipe for cake.

It is true that I am not particularly sweet-toothed and I confess I am absolutely useless at piping icing neatly, but I enjoy tucking into an occasional slice of good cake as much as anyone else. So it is remiss of me to have let this column go on for so long without any treatise offering time to rectify matters now, not least, at Easter, when family and friends gather round the tea-table eager for something to eat after the debonair abstention in the wake of an abstemious Lent.

Chocolate and lemon are the flavours I have chosen because of their traditional associations with Easter—one dark and sweet, the other as fresh and light as a breath of spring air. But do not expect magnificent gateaux from me, or monumental Carte-type cakes. I do not share the master's belief that the main branch of architecture is confectionery.

Mine are modest little cakes, the sort of thing that can be produced at pretty short notice, simply and without fuss. They are designed to please, not to impress.

FRESH LEMON CAKE

The first fruits of the lemon

trees are usually ready for picking by now, and this is very often the flavour Greek housewives choose for a cake to celebrate Easter. My version is not drizzled with honey as a Greek cake might be. Instead it is crusted with fresh lemon sugar and scattered with flaked and toasted almonds.

Heat the oven to 325°F (160°C), gas mark 3. Grease the base and sides of a 7 in round cake tin and line the base with buttered greaseproof paper.

Thinly pare the yellow rind from both lemons. Put it into a blender or food processor together with the juniper berries and 1 lb sugar, and process until the sugar is reduced to an aromatic powder flecked with tiny yellow and black specks of lemon and juniper.

Line a 12-hole cake tray with butter and sugar until finely and lightly. Beat in one egg, followed by one-third of the sifted flour. Blend in the second egg, then

another one-third of the flour. Mix in a very generous tablespoon of lemon juice and the yoghurt. Finally, fold in the remaining flour. Spoon the mixture into the prepared cake tin, level the top and bake for 60–70 minutes. Pierce the centre of the cake with a trussing needle or fine skewer: if it comes out clean the cake is cooked.

For the fudge icing: 1½ oz butter; 1 oz cocoa powder; 1 oz ground cinnamon and baking powder; 6 oz each butter and pale muscovado sugar; three large eggs; two tablespoons milk and one tablespoon yoghurt. For the fudge icing: 1½ oz butter; 1 oz cocoa powder;

3½ oz icing sugar; 10–12 split almonds to decorate.

Once the butter and leave it

at room temperature for at least half an hour so it becomes

quite soft. Lightly grease an 8 inch round cake tin with grease-clip sides and removable base. Line the base with grease-proof paper and grease again. Heat the oven to 350°F (180°C) gas mark 4.

Turn the cake out of its tin on to a shallow dish. Prick the top of the cake all over with a skewer and slowly pour on the sugary lemon juice. Leave the cake to soak up the liquid while you scatter the toasted almonds over the top. By the time the cake is cold the lemon juice will have seeped into the crumb, leaving a crunchy lemon and almond flavoured topping.

CINNAMON CHOCOLATE CAKE

This is not a gaudily rich chocolate cake. Both texture and taste are light—although the cinnamon flavour is quite pronounced; if you are not as addicted to cinnamon as I am, you may prefer to use less.

6 oz self-raising flour; 1 oz

cocoa powder; 1½ teaspoons

each ground cinnamon and

baking powder; 6 oz each

butter and pale muscovado

sugar; three large eggs; two

tablespoons milk and one

tablespoon yoghurt.

Preheat the oven to 180°C (350°F), gas mark 4. Grease a 12-hole cake tray with butter. Add the sieved

sugar and stir well to blend.

Away from the heat, quickly tip in the sifted icing sugar, add two tablespoons

water and beat until smoothly blended.

Cool, stirring occasionally to prevent a skin from forming, until thickened to a spreading consistency. Then spread the icing over the cake and decorate with the split almonds.

But it seems to be all we have to go on for the moment. The superstar masters of nouvelle cuisine, who have drawn so deeply and refreshingly from the springs of China and Japan, have ignored India's cooking.

It is of course a bit earthy—heavy even—for them. Save only one exception—as bizarre and successful as you would expect from Michel Guérard at Eugénie-les-Bains.

There, as in most such establishments, if you order an appetizer in the cool green shade of the terrace, it comes with a plate of tiny titbits and "amuse-gueules" looking like the miniature plaster food in a toy-town butcher's shop. But on my last visit there among the goodies was a round thing, thin as paper; it was quite small and had herby fragments embedded in a regular circle, like a very discreet floral dinner plate. It was of course delicious. And it was, without doubt, an authentic French provincial poppadom.

Peter Fort

For king and curry

most of it is pretty unpolite, if that is the word. But India is a bigger meal to swallow. There are Indian restaurants in Paris, at any rate, in the "Huitième." Two of them have even got into the Michelin guide. But they to my knowledge have no traditional Indian restaurants in London.

No doubt the scholar-cooks who write "Petits Propos Culinaires" could dig out the facts about what the French East India Company actually did eat in its day. They seem to have been mainly in the South where by all accounts the curries set the mouth afire. The French nowadays choose to regard our fondness for hot curries as just more of a logical absurdity—could it have been invented? Perhaps it was and the secret died on the battlefield of Wandewash.

I suspect that most Englishmen who go to France on what are in effect eating holidays make straight for a curry when they get home. It is something to do with being greedy of course; but it is also something



FOOD FOR THOUGHT

There is of course a dish quite commonly encountered in French restaurants of the old sort called Poulet à l'Indienne. This is chicken in a bland yellow sauce containing the most fugitive hint of the greatest whiff of curry powder, like the v妄malo in New York martinis. It certainly does not overpower a glass of wine, but it is hard to imagine it being eaten in India.

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BOOKS

Malcolm Rutherford on a former Prime Minister

When Jim was all smiles

TIME & CHANCE
by James Callaghan. Collins, £15.95. 584 pages

JAMES CALLAGHAN was a surprisingly good Prime Minister. He ran the government machine, however, rather better than he ran the Labour Party and may turn out to have been the last Labour occupant of No. 10 Downing Street.

It is a pity his premiership should be remembered as much as anything for the winter of discontent 1978-79 when the trade unions were out of hand and, according to Tory legend, the dead went unburied. For he understood more than most of the problems facing the country and went some way towards tackling them.

In writing that his performance was surprising there is no intention being patronising. A great deal of senior civil service worked with him at the time, had the same impression. They had not expected him to be so good.

Callaghan had been previously Chancellor of the Exchequer, Home Secretary and Foreign Secretary. In none of those offices was he an outstanding success. At the Treasury he floundered over devolutions which we all know with hindsight should have come much earlier. His time at the Home Office was marred not only by a series of prison escapes, but also by the fact that he was over-involved—outside his Department—in the long Labour Party quarrel about trade union reform.

As Foreign Secretary he took, initially at least, a belligerent approach to Britain's membership of the European Community, which the Government wanted to renegotiate. Not recorded in these memoirs is his remark that he felt about Europe rather like Groucho Marx felt about clubs: he would not wish to belong to any club that wanted him as a member.

Yet, as Prime Minister, Callaghan was quite different. Part of the explanation must be that previous experience of the financial and social costs incurred for socialism. He knew how the machine worked. Callaghan himself notes that

when he arrived in No 10 no fewer than four Permanent Secretaries and a number of Ambassadors had earlier served as his Private Secretary in one department or another.

It may also have been that by the time he reached the highest office he was beyond ambition and the need continually to prove himself. He was four years older than Harold Wilson, whom he succeeded, and was half expecting that his next move would be to be put out to grass while Wilson stayed at his age. He could hardly have objected.

A factor that may have been sometimes overlooked is that he had a first-class mind. As Prime Minister, when he was enjoying friendly chats with Helmut Schmidt, he would regret that he had not been to university. There are plenty of people who would have him as an external student of the LSE and academics were frequently impressed by him. As an ordinary seaman at the beginning

of the war he was sent to the Royal Institute of International Affairs (Chatham House) to write a manual on Japan which apparently still survives in the Admiralty Library.

His background was modest, but he does not complain about it. In the 1950s he gave someone who would be called nowadays "upwardly mobile" £1000 to play his future wife, Andrea. They bought a £321 Wolseley for £210. When they rented a semi-detached house in Norwood for one pound a week—almost the first time in his life that he had not been in somebody else's home.

"We political terms," he notes, "the 1950s were a disaster, but in personal terms they were a very happy period."

What Callaghan saw was the unlocking and opening of doors and that, I think, is what he continued to believe the Labour Party was about. It was the provision of greater and greater opportunities to more and more people. In most other respects he was a conservative.

There was one major deviation: his faith in the willingness and ability of the trade

union movement to co-operate in a Labour Government. It was Callaghan who did as much as anyone to oppose Barbara Castle's proposals for union reform. In Place of State, in the late 1960s. He thought that the unions could be persuaded to put their own house in order and that legislation was the wrong approach.

Again, it was the unions who contributed to his defeat as Prime Minister in 1979 by not coming along with his proposed income policy.

Callaghan believed that they could be cajoled in order to keep a Labour Government in power. They could, but not for long. It was his greatest failing.

For the rest, however,

his premiership was marked by the negotiations with the International Monetary Fund and the return to relative economic stability. Public expenditure was brought under control and inflation reduced. Callaghan even began to talk like Margaret Thatcher, of the demand from ordinary people for a cut in direct taxation.

There were also some notable innovations in foreign policy. As Foreign Secretary, he had played a part in the setting up

of Political Co-operation in Europe and of the regular summit meetings of the seven major industrial democracies. Under his premiership they began to take root and co-operation in international affairs increased markedly. Much of the book is about it.

There was one other attempted initiative that was only picked up again some 10 years later. Callaghan had wanted to be Secretary of State for Education when he left the Treasury in 1967. He was refused, but returned to the subject as Prime Minister. In his Budget speech he called for the opening of a national debate about education that would have grappled with all the awkward questions still facing the present government. The teaching profession told him that it was none of his business and accused him of "political demagogery".

The reader will look in vain for references to what the former Prime Minister thinks about the Labour Party today. The silence is eloquent. As Callaghan concludes: "This is a simple,暮气沉沉, and somewhat untouched." Yet as a book on his premiership, it is surprisingly good.

men was kept in a secret ledger, code named Doris.

It is just possible that Berenson could have worked closely with the devious Duveneck and had not sacrificed his integrity but in this deeply disturbing book Colin Simpson quotes example after example of Berenson sacrificing principle to maintain a luxurious life style in his Florentine villa, I Tatti.

For Duveneck there may be excuse. He made little attempt at connoisseurship: he was always just a high-class barrow boy. What is new and controversial is the evidence that Berenson was corrupted by his rich living by supplying the dealer with "stolen" and most generous backstrokes: the Bostonian heiress Isabella Stewart Gardner, about the

price of a Botticelli he coveted in 1906; he later agreed to smuggle the painting out of Italy; and then cumulated at a fake being painted by the good-natured artist Zeno Smith to fool the startled Italian authorities. The replica still hangs in the Italian Foreign Office attributed to Botticelli.

The pressure to sell his expertise at a period when wealthy Americans were art-crazy was obviously irresistible, especially for a penniless Lithuanian emigrant to the US, cursed with a youthful vision of greatness. Certainly Berenson did not enjoy abusing his uneducated knowledge of Renaissance art for gain, and in later life tried to make amends by devoting his time to teaching. But, urged on by his expensive first wife, Mary, the opportunity to ease a family financial crisis by "discovering" an Old Master from among a mass of tourist junk was too tempting to forego.

Simpson writes in a curiously low key way about some outside interests. Duveneck himself would dominate any number of books with his dubious wheesies, but even he seems to have come up forced into to ward off imminent disaster. Berenson remains a shadowy figure, often isolated in Italy wrestling with his conscience.

sometimes sticking to his ideals, sometimes selling out.

The villainy of the dealers is only matched by the greed, pride and ignorance of their rich American clients. The book races through confidence tricks, monetary machinations with walls, traps and murders. It would be a complete mistake ever to believe the role of a dealer—or an art historian again. No wonder the art world is up in arms over Simpson's revelations, which are based on temporary access to the Berenson archive, achieved by the kind of ploy exploited by Duveneck. Simpson may well have succeeded in prizing open a can of worms, with more scandal waiting to be exposed.

By chance the second volume of Ernest Samuels' mammoth biography of Bernard Berenson has just been published by Harvard University Press, provided with the reputation of one of the most famous books. It deals with Berenson's later life, while glossing over, or ignoring, the incidents in his moral failings pointed out by Colin Simpson. Between them the two books provide an opportunity to wonder again at how facts can be assembled to suit the purposes of the assembler.

Antony Thorne

CRIME

TALKING TO STRANGE MEN
by Ruth Rendell. Hutchinson, £10.95. 300 pages

NO WORD FROM WINIFRED
by Amanda Cross. Virago, £9.95. £3.95 paperback
217 pages

AS Ruth Rendell's reputation and popularity deservedly grows, she wisely maintains her sense of her own talents, avoiding the adopted pose of a fairly distinguished and pretentiousness that have wrecked the prose (if not the sales) of some of her rivals. Indeed, she seems to employ those talents with even greater sensitivity and variety. In this new novel, Talking to Strange Men, there are some of her usual misfits, losers, square pegs; but, mostly, she creates an interesting middle-class world, as she is, always alert to the sometimes hazy

borders between what we consider normal behaviour and dangerous, even murderous eccentricity. This book is a bit longer than some of its predecessors, but there is not a spare word. The central invention—a band of mischievous adolescents—is arresting and brilliant. A first-class achievement.

In Amanda Cross's No Word from Winifred we meet Professor Kate Farster at her excellent best. While investigating the disappearance of the adopted niece of a fairly distinguished Georgian writer, she has time to reflect with grace and humanity, on the nature of friendship and marriage—the reflections are opposite to her investigation. As usual, her portrayal of Academic rings true, but she also seems to know a lot about lawyers. The writing is refreshingly straightforward and she doesn't want you to; but you can't help eventually warming

William Weaver

WORLD DIPLOMATIC GUIDE

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Callaghan: "surprisingly good" as Prime Minister

Anthony Curtis remembers

Dame Rebecca

Campaigner and romancer

REBECCA WEST: A LIFE
by Victoria Glendinning. Weidenfeld & Nicolson, £14.95. 328 pages

ONLY A general ignorance of the work of West in England, where she can have remained the brilliant Journalist Cicely Fairfield to have called herself Rebecca West. In the drama *Bombardon* in which she appears, Rebecca West first drives the wife of the man she loves to her death; then she wrecks his political career and drives him to his death. She was subject to attacks of irrational behaviour of a destructive force she likened to the great snowstorms in the North where she was born.

in 1921 with H. G. Wells and her imagination of him was then

"...a darling . . . a very serious little Cockney with a very serious little soul." Something seems to have gone wrong somewhere. It may have been Chaplin's heavy-handed approach after Rebecca's liaison with Wells had come to an end.

Between there was her brief affair with Lord Beaverbrook

recorded in the posthumous novel *Sunflower*, and now documented for the first time.

Rebecca was at her most vulnerable just after she had

arrived with Wells and she

had become the press baron, getting absolutely nowhere.

After Beaverbrook she had

enough presumably of small

powerful aristocratic men.

It is clear from this book

and others that Rebecca fell

into a very cruel trap with

Wells. She thought he would

leave his wife and marry her.

She had no idea of the extent

to which the complacent Jane

Wells was a consenting party to

their affair. As it was she was

left in the classic dilemma of

the Edwardian novel, as a one-

parent family in a hostile

world, and it scared her for

life.

What saved her was her

literary genius that magnificently

measuring flow of words, the

product of a mind which,

though it had had little formal

training, could penetrate to the

utmost depths of any topic

or individual that came within

its ken. Whether it was a

question of aesthetics or politi-

cies, home or abroad; man or

woman; Rebecca pronounced

up with an authority and

wit that appeared to allow for

no further discussion.

Although this book is much

concerned with the private life

of Rebecca West, it managed

actually also to keep a continual

focus on her published work

and to show how the one

little holiday he gave her

afterwards at the Ritz. But

Glendinning paints a disturbing

picture of marital discord and

betrayals with other women

some of which were only dis-

covered by Rebecca when Henry died.

After a few hasty shocks of

this kind, one sees why famous

authors go to such lengths to

try to prevent biographies of

them being written after they

are dead. However, Rebecca

did not do that; she sanctioned

this book before she died (and

Henry died later).

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ARTS.

Nigel Andrews looks at this week's new releases at the cinema

Wacky sisters spin Southern magic

Crimes of the Heart (15). Odessa. *Hypnotic*. *Alma* (15). Cannon. *Tottenham Court Road and Metro*. *The Accident* (PG). Cannon. *Swiss Comedy*. *Blood Ties* (18). Electric.

For the cinema, the American South is a mythical land where mirth and seancs can become deliciously unhinged. What actor — and more importantly, what actress — has ever gone so far without becoming a cult? Twice down the line the "holy de-clayer" accent in *Goat With The Wind* and *Saints of New Orleans*, and twice became a great movie actress. As soon as she returned to her Roedean tones she went back to being a major talent with major looks. And Geraldine Page, last year's Oscar winner, is another who uncovers a whirlwind of performances whenever she steps below the Marquee Line.

In *Crimes Of The Heart*, Jessica Lange and Diane Keaton take the Central Casting bus to a Southern small town. There they join Sissy Spacek, a princi-

tized Southerner, for Bruce Beresford's film of Beth Henley's Pulitzer Prize-winning play about three very wacky sisters.

Miss Spacek is in jail after shooting (nondishly) her wealthy lawyer-husband. Her sisters — dowdy, unmarried Keaton, who still lives in the family mansion, and blonde bombshell Lange who is down on a visit after a failed marriage and singing career — can hardly believe the turn of events. "I'm jay-all!" "I'm us!" Soon they are squalling around the house and neighbourhood, remembering old times, cursing new times, springing Spacek from jail (on bail), and generally behaving as if Chekhov's sibling trio had gone to Mississippi instead of Moscow, swallowing several bottles of liquor on the way.

The film is inconsequential, mannered, absurd, touching and often very funny. The only saving grace among the three stars is their hamboozled inability to deal with men: indeed to deal at all with a world in which two different sexes coexist. Spacek shows some of the above movie's admiration,

in the midst of a casual romance with a teenage black. Lange goes on a miasmic date with an old flame (Sam Shepard), but they end up getting drunk and dousing the vestigial fires with Bourbon. And spinster Keaton bewails her inability to win men, while wearing clothes that would repel a broad-minded male sals collector.

Occasionally all three get together and think about dead Mama who hanged herself ("She had had a bad day") and dying Papa who is in his grave. Soon they are squalling around the house and neighbourhood,

remembering old times, cursing new times, springing Spacek from jail (on bail), and generally behaving as if Chekhov's sibling trio had gone to Mississippi instead of Moscow, swallowing several bottles of liquor on the way.

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directed by Fons Rademakers, won this year's Best Foreign Film Oscar, which ought to be a recommendation. However, this is an honour that has regularly been bestowed upon clinkers, and *The Assault* wholly conforms to that description.

Based on a novel by Harry Mulisch, it spins a potentially powerful tale. A boy whose family is killed by the Nazis in a reprised massacre in 1945 grows up to see similar injustices stirring in postwar Europe, and also catches up with some of the spectres from his own traumatic past.

And if they survive these tempests there is a new girl on the scene.

Challenged with this ambitious march through history, Rademakers' treatment is relentlessly flatfooted. Visual clichés abound (the still spinning bicycle wheel after a cyclist goes down), the bird-like bemusement of the country's id, where love, death and madness are licensed to frolic together, the art in a day's leisure. The film is a study of mania splendidly acted by the three stars — the South once more working its thespian "magic" — and directed by Beresford as if to stone for his last Hollywood mishap. King David.

Almost You hardly needs some of the above movie's admiration,

The Dutch film *The Assault*,



Jessica Lange, Sissy Spacek and Diane Keaton in "Crimes of the Heart"

read it instead of seeing the movie.

Not can I indict *Blood Ties* on you as an Easter present: Made by links with Brad Davis, featuring a near-incomprehensible kidnapping plot and dialogue you are unlikely to forget

even if you want to. ("Don't break my balls with your coked-up craziness!").

Opening at the Remini is the prize-winning Swedish film *My Life as a Dog*. Prevented from seeing it this week by a bombing's University on the Northern Line, I shall write and review it (willingly) next week.

(*W*ant to know more about the movie? See page 11)

large orchestra by Stokowski and others.

The *Triumph of Neptune* gives a fair idea of a minor classic at once cosmopolitan-sophisticated and very English. The old Beecham recording (resuscitated on CBS Classics) had more elegant impudence and more pointed rhythmic. As for the remarkable *Festivals espagnole*, the four-hand piano version (recorded at Aradale) must have equal rights for the innocent *Pride and Joy* and the riotous *Fandango*, but even with not quite ferocious enough playing from the Liverpool Philharmonic under Barry Wordsworth the totally innocent *Pasodoble*, a leering low-life grotesque like an Edward Burne-Jones painting brought to musical life, needs the orchestra. The *Valse sentimentale* from the *Trois morsures* of 1918 shilly suggests that the work of Alban Berg was revealed to Berners in a dream with a sudden ending.

Ronald Crichton

Sir's 80 years

Olivier: In Celebration, edited by Garry O'Connor, Hodder and Stoughton, £12.95, 236 pages.

One day, the full uncensored biography of Laurence Olivier may be written, but not for a very long time and not if "Sir" has anything to do with it. Garry O'Connor's collection of mini-biographies and reminiscences is published to celebrate Olivier's 80th birthday next month — on May 22. It is full of good anecdotes and, on the subject of Olivier's personality, a fair amount of equivocation.

Richardson and Gleig, the other members of the charmed trio, both reached the age of 80. Richardson dying shortly afterwards and Gleig still going strong. What, no doubt, everyone may have been.

Olivier's case, survival has been the name of the game. Illnesses and accidents dogged his career only for the actor to spring free in another performance. Mr. O'Connor ingeniously defines this almost miraculous power of survival as a key to the protean acting style relating to Olivier's physical swagger to that of his Gascoigne predecessors and *Three Musketeers*.

Peter Hall's retrospective dissections between the arts of performing and acting, suggesting the latter entails the revelation of inner self, something Olivier never set out to do; instead, he displayed himself with genius and became the greatest performer of the age.

Many contributors hark back to the controversy over Olivier's Romeo, his original and daring way with the verse, his fooling with critics and Gleig alternated in the roles of Romeo and Mercutio. And Simon Callow attests to Olivier's undiminished power to promote fevered argument by recalling the dispute that still rages over his alleged "hamminess" and "trickiness" in the 1960s. For actors, and critics, of Callow's generation, the 1964 Old Vic Othello was perhaps the last truly great performance in the tradition of Kean, Garrick and Irving. The standards have not been reached since.

Simon Callow also reminds us: Olivier has perhaps been most memorable in the tragicomic roles, "the wassel men for whom at bay he found the authentic cry of pain" — Strindberg's Edgar, Osborne's Archie

and Shylock and Richard III. Michael Billington, again interestingly using the word "display", develops the original Tyman discussion of the daintiness and femininity of much of his acting, his determination also (like Miller's Eddie Carbone) in which role, incidentally, Michael Gambon may eventually be redeeming "Oscarism".

John Mortimer, who has written two deathbed scenes for Olivier, in *Brideshead Revisited* and *A Voyage Round My Father*, perceives a pleasant essay with fine anecdotes. Elaine Dunphy, Kenneth Tynan's first wife, provides a detailed account of Olivier's career, when recalling his experience during the war, but have to turn to another critic, Dilys Powell, to find a substantial analysis of Olivier's screen art. She comments on his sullen, sexual temperament in early films, how he stopped imitating Ronald Coleman and, with the help of William Wyler, found his true self permanently — or one of them — in *Witness for the Prosecution*. He is not only a master of film, but, as Peter Hall stages an eloquent paean to the technical and cinematic qualities of *Henry V*.

In recent years, Olivier's many fine television performances have been done with *Granada TV*. Derek Granger, his producer on *Brideshead Revisited*, and a series of classic revivals, describes the pleasures of his company and the undiminished enthusiasm and energy he summoned even when faced by debilitating illness. The TV King *Law*, probably Olivier's most, if not only, genuinely moving performance, covered a decade of imperfected achievement.

Shirley Merle, usefully rounds up the opinions of critics across the years — "those bastards" as Olivier unkindly calls us — while Christopher Fry offers a characteristic description of Olivier's voice in that Romeo — "that slightly crackling sound, flames starting



Laurence Olivier as Henry VI, 1937

up under a pile of new twigs, set the words free of 'tame' to do their own work."

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Michael Coveney

Adam Le Postillon de Loumme, Anderson, Aler, Le Roux, Leton/Monte Carlo PO/Ema, Choral J. Lefèvre/Folien, 2 LPs in box, EMI EX 270433, cassette EK 270435.

Désautel La File du régiment, Anderson, Théâtre, Kraus, Tremont/Paris Opéra Chor. and Orch. Compagnie, 2 LPs in box, French EMI EX 270457.

Berthold The Triumph of Neptune (suite), Nicholas Nickleby (suite), Fugue for Orchestra, Fantaisie espagnole, Trois morsures / RILP / Wurzburg, EMI LP EL 27 0501 4, CD CDC 747653.

These two comic operas appeared within a few years of one another at the Opéra-Comique in Paris. They belong to the cosy, would-be reassuring world of Louis Philippe. One is a native product, the other is the first French opera by an already famous Italian. Both come to the French edition in the wake of Rossini. Both operas become immensely popular. Adam's appealing strongly to German-speaking audiences. Both can occasionally be heard today.

Adolphe Adam, composer of the ballet *Giselle* and of many other successful operas besides *Le Postillon de Loumme*, had an easy, pleasant talent. Times have changed him off to sing before Louis XV. Some years later we find Chapelot, under the name Saint-Phar, established as a court favourite. His village chum Biju the blacksmith, now leader of the chorus, has followed him. So, secretly, has Madelaine, who has had an unexpected legacy and is now resplendent as Madelaine de Latour. unaware of her identity, Saint-Phar pays court to her. Though he is obviously a selfish brute willing to play bigamy, she tricks him into marrying her a second time.

In this agreeable performance under Thomas Fulton

Madelaine is sung by the Parisian diva of the moment, June Anderson. I have recently recorded a grandiose memento of Miss Anderson's splendid voice *'Ellen Anderson'*, the Paris Opéra's *Fille du régiment* as Isabelle's "trio" aria in Robert's *Die Fledermaus*.

La File du régiment, a nice

little posy of vicarious patriotic sentiment, is minor Donizetti but likable enough when properly done. This ill-judged memento of live performances at the Opéra-Comique last summer shows how vulnerable it is. On-stage noises and applause are a nuisance. The orchestra under Bruno Canepa, too far back, is dim-witted, for Michael Tippett as *Saint-Phar* all the distinguished principals suffer from some degree of wobble — even Alfredo Kraus, even June Anderson in her sustained singing. The worst offender is Hélène Théâtre as the marquise, who at least demonstrates that the widest wobble can be partly redeemed by triumphantly clear enunciation.

Kraus improbably cast as

Tyrolens country lad Antonio,

as is even incapable of an elegant phrasal, but the tenor

and soprano Marie Anderson has

energy in plenty but no "lift".

Ironically, French EMI's Ninoh

marries to pretty Madelaine, is

badly singing by Aler, a nobman scouting talent for the Vienna Opera, Chapelin's High D is as impressive that de Cozy handles him off to sing before Louis XV. Some years later we find Chapelot, under the name Saint-Phar, established as a court favourite. His village chum Biju the blacksmith, now leader of the chorus, has followed him. So, secretly, has Madelaine, who has had an unexpected legacy and is now resplendent as Madelaine de Latour. unaware of her identity, Saint-Phar pays court to her. Though he is obviously a selfish brute willing to play bigamy, she tricks him into marrying her a second time.

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